Lim368 Local Municipality

2017/18 Tabled Medium Term Revenue and Expenditure Framework (MTREF)

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Part 1 – INTRODUCTION

The Vision statement of Lim368 Local Municipality:

The Mission statement:

Municipal core values:

Lim368 Local Municipality is committed to the following core values:

Professionalism: All Municipal Officials are anticipated to have expressive knowledge in their field of service delivery and should be able to articulate such to stakeholders and customers
Integrity: Entails the consistent application of work ethics at all situations in an honest and transparent manner
Diversity: It means understanding that each individual is unique and recognizing our individual differences. These can be along the dimensions of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious belief, political beliefs or other ideologies.
Accessibility: Conduct council's business in a fair, responsible, flexible, equitable and honest manner.
Accountability: Report regularly to all stakeholders regarding council's actual performance
Redress: All complaints directed at Council must spark positive actions from respective Officials

Municipal Budgeting

Financial plans have separate budgets for operations and capital investments. This ensures that municipalities do not finance their operational expenses by obtaining loans, but rather helps them to be financially viable.

Operating Budget

This part of the budget shows how much money is spent on running the administration and delivering the day-to-day services including the maintenance of existing assets and infrastructure. It shows where this money comes from (sources of revenue). This income may be from rates and taxes, service charges and inter –governmental transfers.

Capital Budget

This part of the budget shows how much money local government is planning to invest in infrastructure or other capital assets. Municipalities have to know how much will be spent on this item each year, and where the money for this spending will come from. This part of the budget is called the ***capital budget*** because it is used for new physical development, or infrastructure investment.

The MFMA requires municipalities to prepare balanced budgets. This means that they have to make reasonable estimates of income and match it to anticipated expenditure.

Part 2 - ANNUAL BUDGET

1. MAYORS' REPORT

BUDGET SPEECH BY THE HONOURABLE MAYOR, COUNCILLOR MARLENE VAN STADEN, WEDNESDAY 31 MAY 2017

Honourable Speaker, Councillor Johann Abrie

Honourable Chief Whip, Councillor Dingaan Motshwene

Members of the Executive Committee

Party Whips of the DA, EFF, FF+ and the ANC

Chairpersons of Section 79 Committees

Honourable Members of Council

Section 56 and 57 Managers and Acting Managers

Members of the Religious fraternity

Members of the Media present here

Members of the Public present in the gallery

But most importantly, the People of LIM 368 Local Municipality

On the 3rd of August 2016, the majority of voters in the LIM 368 Municipality voted for change. Myself and the Political Management Team heard that clarion call and change is what we promise to bring to the people of this municipality.

Our first point of call will be stabilizing this municipality which was virtually brought to its knees by years of irresponsible fiscal management, corruption on a monumental scale and poor service delivery. As we stabilize the municipality I will run parallel programs to revitalize the economy of LIM 368 and cut unnecessary waste in order to direct more money to deliver better services, particularly to the poor and marginalized forgotten masses of our people in townships and in informal settlements. Thirdly, we will have to beef up the quality of services which we are delivering to the people of LIM 368.

Once we achieve these three things, we can finally begin to roll out value for money capital projects meant to benefit our people and boost the economy. With value for money projects I mean inter-alia that every single job does not have to go out on tender. I want to see the appointment of a well-qualified Manager of Technical Services and in-house engineering capacity so that we can pave our roads in our townships. Why can't we do it ourselves? Instead of

paving 500 meters we can now pave 800 meter because there is not a lot of other people that must benefit from our scarce resources.

This IDP document is just the beginning of our desired vision for the next 5 years. We have to build a municipality through fairness, freedom and opportunity.

The passing of this budget will set in motion the work we have begun:

1. A municipality that facilitates economic growth and job creation. We want to create a municipality of opportunity. This will be achieved by making it easier to do business here. We have to support our own entrepreneurs and empower people from our own municipality. Gone are the obsessive days that work done in our municipality is going to companies in Gauteng, Polokwane and Thoyandou. Our own people must get a first bite at the cherry. In this regard I have asked the Political Management Team to assist me in facilitating a workshop to train residents of the LIM 368 Municipality in how to get them registered on the database of National Treasury so that they can apply to do work in this municipality. We want to teach them how to prepare the paperwork and we want to introduce them to other local entrepreneurs. The time has come for white owned companies with the skills and equipment to take hands with people in the townships and submit joint proposals where skills development and skills transfer can take place.

2. We want to build a municipality that cares for all its residents and promotes inclusivity. LIM 368 must become a city that commits itself to redressing historical injustices and take care of the neglected poorer communities which were left behind by previous administrations. Many communities do still not have access to basic services and still experience the spatial legacy left by apartheid on a daily basis. I want to appeal to all of you, particularly our councillors, to assist us in the development of areas where water and sanitation is first installed before we move people to a particular area. By encouraging people to go and live on open, un-serviced pieces of land, you are contributing to their hardship, not relieving it.

3. LIM 368 must become a municipality where we deliver excellent services and protect the environment. We have to improve and expand our resources in a sustainable manner. We will upgrade the old asbestos pipelines which is the cause of water loss of millions of litres per annum. We have asked ourselves, is Donkerpoort Dam and Frikkie Geyser Dam adequate to provide for the needs of our fast growing and ever expanding towns? Did the time arrive that we engage the National Department of Water and Sanitation and Water Boards like Magalies to assist us in a desktop plan to develop a water master plan for the next 50 years? I am also planning to consult with the Department of Water and Sanitation to scrutinise and perhaps even review the licenses of farmers who are building dams on their farms which restrict the flow of water to the dams designed to provide drinking water to our people.

4. Our municipality must become a place where our people are safe and where young girls don't have to fear for their lives as they walk in the streets after dark. Nyaope and other drugs are busy destroying the lives of so many of our young people. It is a crisis that must be eradicated. But we should not leave the addicts behind. Some of our

young people abuse drugs because they can't find jobs. They feel deprived of opportunity and they lost hope. Let us help those families who are tormented on a daily basis because of this social disaster. I intent to engage with the Department of Social Development to find ways of taking these kids to places of rehabilitation and to bring them back to the community with hope and prospects of a better life. I want to encourage the different sectors of the Community Policing Forum to take hands and work together in rooting out crime. Upright citizens from all walks of life must join the CPF and police the tsotsis, not each other. I had several engagements with the Cluster Commander of the Police in this regard and plans are on-going.

5. LIM 368 must become a responsive municipality. When we receive complaints, let's deal with them and report back.

Honourable Speaker and Honourable Councillors.

Unfortunately, money provided for in this budget is not enough to achieve what we want to. I would demand from our incoming Section 56 and 57 Managers to work day and night in the development of business plans for infrastructure projects so that we can approach National Treasury for more money.

Our electricity infrastructure is old and dilapidated and must be upgraded as we service more and more un-serviced areas.

But Honourable Councillors, we cannot continue to look at government, national, provincial and local to employ everybody. It is not humanly possible and the salary bills of government are fast spiralling out of control. We must attract business to our towns to create employment for our people, but we cannot achieve this if we are known as a municipality where rivers of sewerage are flowing in our streets, electricity is "then- on and then-off and water is not always in our taps when we open them. We have to clean up our towns and make is sexy again. Informal traders need to be better organised in proper trading spaces.

We have to out of our way to become a tourist destination of choice. Let's take hands with our tourism partners in the private sector and bring thousands of people from Gauteng to our municipality every weekend. We want their money to be spent at our businesses.

Honourable Speaker and Honourable Councillors.

Corruption remains the biggest killer of service delivery in municipalities all over our country and LIM 368 is no exception. I want to take your thoughts back to my inaugural speech on 23 August 2016 where I said that we will constantly be looking for officials with their hands in the cookie jar. Therefore, I want to encourage all our employees and the community at large to report corruption at once to the municipal manager. But when you expect that management is involved in acts of malfeasance, report it directly to me. Tens of billions of rand ends up in the pockets of corrupt officials and corrupt businessmen every year. If there is R100 to be spent on services, let it be R100, and not R70.

I would lastly like to thank our coalition partner, Die Freedom Front Plus and our governance partner, the Economic Freedom Fighters for their support in bringing this IDP about.

We know that you share our vision to improve the lives of our people in a corrupt free environment. Let us work together to speed up the process of employing top quality Section 56 and 57 managers to bring the change to the lives of our people which they so desperately demanded on 3 August last year.

I would lastly like to thank our employees who are burdened with the task of effecting change. Thank you for your efforts in often very difficult and trying circumstances.

Honourable Speaker

I hereby submit the 2017/2018 Integrated Development Plan and Medium Term Expenditure Framework.

2. COUNCIL RESOLUTIONS

1. The Council of Lim368 Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) proposed:

   1.1. The budget of the municipality for the financial year 2017/18 and the multi-year and single-year capital appropriations as set out in the following tables:

      1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 15 on page 37;
      1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 16 on page 39;
      1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 17 on page 40; and
      1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 18 on page 44.

   1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:

      1.2.1. Budgeted Financial Position as contained in Table19 on page 46;
      1.2.2. Budgeted Cash Flows as contained in Table 20 on page 48;
      1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 21 on page 48;
      1.2.4. Asset management as contained in Table 22 on page 50; and
      1.2.5. Basic service delivery measurement as contained in Table 23 on page 58.

2. The Council of Lim368 Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) propose:

   2.1. The tariffs for electricity – as set out in Annexure A
   2.2. The tariffs for the supply of water – as set out in Annexure A
   2.3. The tariffs for the refuse removal – as set out in Annexure A
   2.4. The tariffs for the sanitation – as set out in Annexure A
   2.5. The tariffs for the property rates – as set out in Annexure A

3. The Council of Lim368 Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) propose to approve and adopts with effect from 1 July 2017 the tariffs for other services, as set out in Annexure A

4. The Council of Lim368 Local Municipality propose to approves and adopts with effect from 1 July 2017 the following:

   4.1. Interest at the rate of 12,65% per annum on all accounts in arrears.
   4.2. Defaulters will be liable to legal proceedings for the recovery of arrear amounts.

5. The Council of Lim368 Local Municipality propose to approve and adopts with effect from 1 July 2017 the following free basic services for Indigent consumers per 30-day period as per tariffs setout in Annexure A.

   Indigent consumers will not be liable to pay for municipal services except where they exceed the free basic services provided for by Council.

6. The Council of Lim368 Local Municipality approves and adopts the following budget related policies:
   6.1. Tariff Policy
   6.2. Rates Policy
   6.3. Indigency Management Policy
   6.4. Budget Management Policy
   6.5. Debt Provision and write off Policy
   6.6. Budget Principles Policy
   6.7. Virement Policy
   6.8. Inventory Policy
   6.9. Credit Control and Debt Collection Policy
   6.10. Banking and Investment Policy
   6.11. Cell Phone Policy
   6.12. Immovable Asset Management Policy
   6.13. Supply Chain Policy
   6.14. External Loans Policy
   6.15. Movable Asset Management Policy

3. EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the Municipalities financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2017/18 MTREF

Description R thousands	Adjusted Budget 2016/17	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Total Operating Revenue	398,951	462,037	485,604	513,670
Total Operating Expenditure	528,016	573,771	602,391	630,705
Surplus/(Deficit) for the year	-129,065	-111,734	-116,787	-117,035
Total Capital Expenditure	106,204	125,231	124,244	141,359

Total operating revenue has grown by 16 percent or R63.1 million for the financial year when compared to the 2016/17 Adjustment Budget. Kindly take note that the Adjustment Budget is only for a period of 11 months therefore the 2017/18 growth is more than the outer years. For the two outer years, operational revenue will increase by 5 and 6 percent respectively, equating to a total revenue growth of R51.6 million over the MTREF when compared to the 2017/18 financial year.

Total operating expenditure for the 2017/18 financial year has been appropriated at R573.7 million and translates into a budgeted deficit of R111.7 million. When compared to the 2016/17 Adjustments Budget, operational expenditure has gone up by 9 percent in the 2017/18 budget and grown by 5 and 4 percent for each of the respective outer years of the MTREF. Kindly take note that the Adjustment Budget is only for a period of 11 months and therefore the 2017/18 growth is more than the outer years.

The capital budget of R125.2 million for 2017/18 is 18 percent more when compared to the 2016/17 Adjustment Budget. The increase is due to an increase in appropriations on capital allocations. The capital programme increases to R141.4 million in the 2019/20 financial year. The capital budget for the financial year 2017/18 will be funded from government grants.

1. Operating Revenue Framework

   The following table is a summary of the 2017/18 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	–	–	–	–	–	–	–	65,378	69,954	74,851
Service charges - electricity revenue	2	–	–	–	–	–	–	–	162,181	169,855	176,661
Service charges - water revenue	2	–	–	–	–	–	–	–	42,031	45,367	48,978
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	22,410	24,182	26,105
Service charges - refuse revenue	2	–	–	–	–	–	–	–	16,778	17,835	18,961
Service charges - other											
Rental of facilities and equipment									608	636	665
Interest earned - external investments									3,050	3,161	3,224
Interest earned - outstanding debtors									29,707	31,787	33,694
Dividends received											
Fines, penalties and forfeits									161	161	161
Licences and permits									8,173	8,582	9,011
Agency services											
Transfers and subsidies									105,115	107,191	114,041
Other revenue	2	–	–	–	–	–	–	–	6,445	6,893	7,318
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**462,037**	**485,604**	**513,670**

Table 3 Percentage growth in revenue by main revenue source

R thousand	Adjusted Budget	%	Budget Year 2017/18	%	Budget Year 2018/19	%	Budget Year 2019/20	%
Revenue By Source								
Property rates	53,649	13%	65,378	13%	69,954	14%	74,851	15%
Service charges - electricity revenue	130,786	33%	162,181	32%	169,855	33%	176,661	34%
Service charges - water revenue	36,049	9%	42,031	8%	45,367	9%	48,978	10%
Service charges - sanitation revenue	19,056	5%	22,410	5%	24,182	5%	26,105	5%
Service charges - refuse revenue	15,232	4%	16,778	4%	17,835	4%	18,961	4%
Rental of facilities and equipment	590	0%	608	0%	636	0%	665	0%
Interest earned - external investments	2,532	1%	3,050	1%	3,161	1%	3,224	1%
Interest earned - outstanding debtors	23,251	6%	29,707	6%	31,787	7%	33,694	7%
Fines	162	0%	161	0%	161	0%	161	0%
Licences and permits	–	0%	8,173	2%	8,582	2%	9,011	2%
Agency services	9,998	3%		0%		0%		0%
Transfers recognised - operational	104,688	26%	105,115	23%	107,191	22%	114,041	22%
Other revenue	2,956	1%	6,445	1%	6,893	1%	7,318	1%
Total Revenue (excluding capital transfers and contributions)	**398,951**	**100%**	**462,037**	**100%**	**485,604**	**100%**	**513,670**	**100%**
Total Revenue from rates and service charges	254,772	64%	308,777	67%	327,194	67%	345,556	67%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than 60% of the total revenue mix. In the 2016/17 financial year, revenue from rates and services charges totaled R254.8 million or 64 percent. This increases to R308.7 million, R327.2 million and R345.6 million in the respective financial years of the MTREF.

A notable trend is the increase in the total percentage revenue generated from rates and services charges which increases from 64 percent in 2016/17 to 67 percent in 2019/20. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to the increases in the electicity pre-paid sales.

The Property Rates increase from R53.6 million to R65.4 million in the 2017/18 financial year.

Operating grants and transfers totals R104.7 million in the 2016/17 financial year and steadily increases to R114 million by 2019/20.

The increase is due to increase of 15% in the Equitable Share allocation.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		–	–	–	–	–	–	**103,955**	**107,191**	**114,041**
Local Government Equitable Share								93,384	100,825	107,303
Municipal Systems Improvement Grant										
Finance Management								4,045	4,301	4,561
Municipal Infrastructure Grant (MIG) 5%								1,960	2,065	2,177
Municipal Demarcation Transfer								4,566		
Other transfers/grants [insert description]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	**1,160**	–	–
Expanded Public Works Programme								1,160		
Total Operating Transfers and Grants	5	–	–	–	–	–	–	**105,115**	**107,191**	**114,041**

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 percent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. The Municipality have where possible increased the tariffs with between 2% and 10% above the CPI target to close the gap between cost drives and tariffs levied. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

The municipality have two different sets of tariffs for the 2016/17 financial year due to the merger of the former Modimolle Local Municipality and Mookgophong Local Municipality. Lim368 Local Municipality have to merge and incorporate a single set of tariffs for the 2017/18 financial years and therefore the tariffs might indicate some areas that will increase more than CPI and other that will decrease.

1.1 Property Rates

Property Rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

The implementation of Property Rates is regulated in terms of the Municipal Property Rates Act, and the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in previous budget processes and the Property Rates Policy of the Municipality has been amended accordingly.

The tariffs for the two former municipalities had been consolidated into one set of tariffs for different categories. It was unavoidable in the process of consolidation to allow a consequent increase in all tariffs. It is therefore necessary to mention that the total billing for rates on one single owner's account will not increase in the 2017/18 financial year with more that 6,5% as contained in the attached **Table 4.**

TABLE 4: PROPERTY RATES

	Modimolle	Mookgophong	LIM 368
	TARIFFS 2016 / 2017		TARIFFS 2017 / 2018
(1) Assessment rates :			
(a) Residential Property / Sectional Titles	R 0.007200 / R	R 0.010159 / R	R 0.010820 / R
(b) Agricultural	R 0.001800 / R	R 0.001871 / R	R 0.002705 / R
(c) Business	R 0.025200 / R	R 0.019248 / R	R 0.020499 / R
(d) Mining	R 0.025200 / R	R 0.019248 / R	R 0.020499 / R
(e) State Owned	R 0.025200 / R	R 0.019248 / R	R 0.020499 / R
(f) Public Service Infrastructure	R 0.001800 / R	R 0.001871 / R	R 0.001992 / R
(g) Privately Owned Town	R 0.007200 / R	R 0.010159 / R	R 0.010820 / R
(2) Phasing in of tariffs in terms of section 21 of the MPRA :			
(a) Newly rated properties phase 4, for 2012/13	0%	0%	0%
(3) Exemptions (in terms of section 15 of the MPRA and the Property Rates Policy), other than in terms of Impermissible Rates (section 17 of the MPRA) :			
(a) Municipal Property		100%	100%
(b) Residential 1 Properties, additional amount to the value of the property, not being taxed	R -	R 10,000.00	R 10,000.00
(c) Public Service Infrastructure	0%	100%	100%
(d) Rights registered against properties	0%	100%	100%
(e) Public Benefit Organizations (on application)	0%	100%	100%
(4) Reductions (in terms section 15 of the MPRA and the Property Rates Policy) :			
(a) Destruction of property as a cause of disaster (on application)	0%	80%	80%
(5) Rebates (in terms section 15 of the MPRA and the Property Rates Policy) :			
(a) Privately Owned Town (serviced by the owner)	0%	20%	20%
(b) Agricultural Properties	0%	0%	40%
(c) Developed Properties (not transferred by a developer yet)	0%	10%	10%
(d) Registered Indigents : The owner must be the registered owner and occupant of the applicable property, whose monthly aggregated monthly income is proved to the satisfaction of the Municipal Manager, not to exceed **R3 500.00** (2016 : R3 000.00)	0%	100%	100%
(e) Retired owners & medical unfit on applicantion : Property owners over 60 years of age, permanent occupants and the sole owner of the property concerned, whose monthly aggregated income is proved to the satisfaction of the Municipal Manager, to be :			
equal or less than R 3 500.00	0%	100%	100%
between R3 501.00 and R5 500.00	0%	50%	50%
between R5 501.00 and R 8 000.00	0%	20%	20%

Tariffs implemented shall not exceed an increase of 6,5% from the 2016/17 rates billed on any rates account.

1.2 Sale of water and impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it do with electricity, since demand growth outstrips supply. Consequently, it is necessary to review the level and structure of the water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the registered indigent consumers; and
- Water tariffs are designed to encourage efficient and sustainable consumption and discourage unnecessary usage of water.

Water losses are contributing to the Gross Loss provided for this service. Revenue enhancement strategies and network maintenance plans are provided for in the Integrated Development Plan to reduce these losses to acceptable levels.

A summary of the tariffs for all consumers are attached under **Table 5.** The tariff structure of the 2017/18 financial year had been consolidated into a combination of the two former municipalities water tariff structures. This structure will allow a consumer to control it's own water account to limit the amount billed onto the water account. The tariff structure is designed to charge higher levels of consumption at a higher rate.

The table below provides a summary total operating revenue and expenditure in respect of water.

	Budget 2017/18	Budget 2016/17
Total Water Operating Revenue	42,030,713	36,191,831
Total Water Operating Expenditure	48,693,546	43,804,215
Gross Profit/(Loss)	-6,662,833	-7,612,384
Percentage Gross Profit/(Loss)	-14%	-17%

The service is regarded as a trading service and is supposed to run on a surplus. There is an decrease in the gross loss on water sales compared to the 2016/17 financial year which illustrate that the dependency on water tariffs to balance the budget has increased. The profit on water sales is used to finance the deficit on the budget and thereby subsidizing property rates tariffs.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 5 Proposed Water Tariffs

1. BASIC CHARGE:

	Modimolle		Mookgophong		LIM 368	
	TARIFFS 2016 / 2017				TARIFFS 2017 / 2018	
(1) Where an erf, stand, lot or other area excluding municipal property is, or in the opinion of Council, can be connected to the main supply, a basic charge per month or part thereof shall be payable by the owner or occupant, as well as where any erf; stand, lot or other area zoned as residential 1 or 2 in terms of the LIM368 Town Planning Scheme is occupied by more than one (1) consumer to whom water is supplied by the Council, the said basic charge shall be payable in respect of every such consumer or occupant or owner :						
(a) Undeveloped property	R	-	R	69.55	R	83.46
(b) Bulk, Trade, Industry and other non-domestic consumers						
- Measuring up to 500m²	R	-	R	21.40	R	-
- Measuring up to 1000m²	R	-	R	25.68	R	-
- Measuring up to 2000m²	R	-	R	32.10	R	-
- Measuring above 2000m²	R	-	R	34.24	R	-
(c) Residential consumers	R	50.00	R	-	R	60.00
(d) Trade; Bulk, Industry and non-domestic	R	70.00	R	-	R	84.00

2. CHARGES FOR WATER SUPPLY, PER MONTH:

(1) Purified water to all domestic consumers :						
(a) 0 - 10 kl (Mookgophong) 0-6kl (Modimolle) to all indigent households :	Free		Free		Free	
(b) Per connection per kl :						
0 - 10 kl	R	-	R	10.57	R	11.63
0 - 20 kl	R	14.93	R	-	R	-
11 - 20 kl	R	-	R	12.20	R	13.42
21 - 30 kl	R	20.86	R	-	R	17.92
21 - 40 kl	R	-	R	14.23	R	-
31 - 40 kl	R	-	R	-	R	19.62
31 kl and above	R	24.62	R	-	R	-
41 kl and above	R	-	R	20.33	R	24.82
(2) Purified water to all Bulk, Trade, Industry and other non-domestic consumers :	R	-	R	13.21	R	-
0 - 30 kl	R	21.44	R	-	R	25.73
31 kl and above	R	24.62	R	-	R	29.54
Modimolle / Phagameng	R	19.91	R	-	R	-
Privately owned towns	R	17.86	R	-	R	21.43
(3) Water delivered by truck outside urban areas :						
(a) Per kiloliter	R	-	R	84.37	R	90.28
(b) Per kilometer, travelled from collection to delivery point	R	-	R	46.15	R	49.38
(4) Water restriction periods :						
(a) 0 - 10 kl to all indigent households :	R	-	Free		Free	
(b) Per connection per kl :						
0 - 10 kl	R	-	R	12.20	R	13.05
11 - 20 kl	R	-	R	25.41	R	27.19
21 kl and above	R	-	R	42.69	R	45.68

1.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure with an average of 0.31 per cent increase in the Eskom bulk electricity tariff to municipalities and will be effective from 1 July 2017. According to the formula used to calculate the tariff increase, only a 1.88 percent guideline increase is allowed.

Notwithstanding the guideline increases by NERSA, the Municipality do not have an option, but to increase income beyond the allowed tariff increases. It is however important to note that the lower level of consumption is limited to a 4% increase, based on the average of the former two municipality's tariffs.

Table 6 below indicates the impact of the proposed increases in electricity tariffs on the electricity charges for all categories of consumers.

	Modimolle	Mookgophong	LIM 368
1. BASIC CHARGES	TARIFFS 2016 / 2017		TARIFFS 2017 / 2018

Note : 1

A basic charge per month or part thereof, shall be payable in respect of any erf, stand, lot or other area within the municipality which has not been connected to the main supply or which in the opinion of Council, can be connected thereto, excluding municipal property:

2. DOMESTIC CHARGES:

(1)	The tariff shall be applicable to the following consumers:					
	(a) Private dwellings					
	(b) Flats					
	(c) Provincial aided institutions and hospitals as defined in the Hospital Ordinance of 1958					
	(d) Institutions conducted by charitable organizations					
	(e) Churches and church halls used exclusively for public worship					
	(f) Pumping installations where the water is pumped exclusively used for domestic and farming purposes.					
	(g) A building or separate part of a building exclusively used for residential purposes					
(2)	Tariffs :					
	(a) Basic charges and connectable vacant stands[1]:	R	75.65	R 138.21	R	117.20
	(b) Indigent Consumers Units 0 to 50 kWh:	Free		Free	Free	
	(c) Unit charges per kWh consumed:					
	0 - 50 kWh	R	0.8587	R 0.8368	R	0.8589
	51 - 350 kWh	R	1.1091	R 1.0697	R	1.0966
	351 - 600 kWh	R	1.4832	R 1.4999	R	1.5347
	601 kWh and above	R	1.7629	R 1.7686	R	1.8353
(3)	The tariff shall be applicable to the following consumers:					
	(a) Household Consumers Pre Paid meter installations					
	Tariffs :					
	(a) Basic charges and connectable vacant stands[1]:	R	-	R -	R	-
	(b) Indigent Consumers Units 0 to 50 kWh:	Free		Free	Free	
	(c) Unit charges per kWh consumed:					
	0 - 50 kWh	R	0.8670	R 0.8421	R	0.8680
	51 - 350 kWh	R	1.1077	R 1.0760	R	1.0991
	351 - 600 kWh	R	1.5107	R 1.5177	R	1.5896
	601 kWh and above	R	1.7900	R 1.7222	R	1.8247

3. COMMERCIAL CHARGES :

	Modimolle	Mookgophong	LIM 368
	TARIFFS 2016 / 2017		TARIFFS 2017 / 2018
(1) This tariff shall be applicable to the following consumers:			
(a) Commercial shops			
(b) Enlightened street advertising signs			
(c) Offices and office buildings			
(d) Boarding / Guest Houses			
(e) Educational institutions and school hostels			
(f) Hotels and Bars			
(g) Cafes, tearooms and restaurants			
(h) Public Halls			
(i) Heavy Industrial undertakings			
(j) Service lights for flat buildings			
(j) Buildings or part of buildings containing a number of the classification under (1) and (10) inclusive and where the consumption in terms of this tariff metered separately by Council.			
(k) Sport Clubs			
(l) Show Grounds			
(m) Agricultural Holdings and Farms			
(n) Temporary Consumers			
(o) All other consumers, excluding consumers being classified under other items provided that if the demand is too large to be charged under this item such consumer be charged under item 4.			
(2) Tariff:			
(a) Basic Charges (not applicable to Pre-paid consumers):	R 468.83	R 196.73	R 364.73
(b) Unit tariff KWH consumed:	R 1.55	R 1.4163	R 1.6255
(c) Prepaid	R -	R 1.5100	R 1.6566

4. LIGHT MANUFACTURING INDUSTRIES:

	Modimolle	Mookgophong	LIM 368
	TARIFFS 2016 / 2017		TARIFFS 2017 / 2018
(1) This tariff shall be applicable to the following consumers:			
(a) Any consumer classified under Item (2) or (3) whose demand is above the following: Single phase (80 Amp and higher) Three phase (40/kvC/ 60 Amp and higher)			
(b) Any consumer manufacturing products for resale; employ 10 (ten) or more labourers and do have an annual turnover of less than R1million			
(2) Tariff:			
(a) Basic charge per month:	R -	R 986.19	R 1,080.86
(b) Maximum demand per kVa:	R -	R 215.00	R 235.64
(c) Energy consumption :	R -	R 0.4612	R 0.51

	Modimolle	Mookgophong	LIM 368
	TARIFFS 2016 / 2017		TARIFFS 2017 / 2018

5. BULK SUPPLY:

(1)	This tariff shall be applicable to the following consumers:						
	(a) Any consumer classified under Item (2) or (3) whose demand is above the following: Single phase (80 Amp and higher) Three phase (40/kvC/ 60 Amp and higher)						
	(b) Any consumer supplied by means of medium or high voltage, 1Kv to 11 Kv, Council shall take the medium or high voltage supply to the consumers substation or boundary only and such consumer shall supply his own transformer/mini sub station and switch gear for the connection. All medium or high voltage gear shall be metered at the low voltage side of the transformer/mini sub station.						
(2)	Tariffs :						
	(a) Basic charge per month:	R	471.85	R	954.81	R	781.81
	(b) Unit tariff per kWh:	R	0.7059	R	0.5659	R	0.6860
	(c) Maximum demand per kVa:	R	157.93	R	235.05	R	215.35

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. Most of the reticulation network was designed or strengthened in the early 1970's with an expected 20-25 year life-expectancy. The upgrading of the electricity network has therefore become a strategic priority, especially the substations and transmission lines. The aim of the high tariff increase is to make provision for higher maintenance cost to address back locks in the delivering of sustainable electricity services to the consumers.

Funding most needed upgrades and important maintenance can only be achieved through higher revenue sources, resulting from higher tariff increases.

The municipality is currently implementing a project to convert all convensional electricity meters with pre-paid meters.

The table below provides a summary of the sales and bulk purchases in respect of electricity.

	Budget 2017/18	Budget 2016/17
Total Sales of Electricity	162,180,877	130,786,184
Total Purchase of Electricity	152,400,000	132,562,743
Gross Profit/(Loss)	9,780,877	-1,776,559
Percentage Gross Profit/(Loss)	6%	-1%

Note: The Profit/(Loss) exclude any allocations of overheads

The table below provides a summary total operating revenue and expenditure in respect of electricity.

	Budget 2017/18	Budget 2016/17
Total Electricity Operating Revenue	162,277,228	131,542,359
Total Electricity Operating Expenditure	195,910,403	182,011,999
Gross Profit/(Loss)	-33,633,175	-50,469,639
Percentage Gross Profit/(Loss)	-17%	-28%

The service is regarded as a trading service and is supposed to run on a surplus. Currently the service is running at a loss that is decreasing from the 2016/17 financial year. The gross profit excluding any allocation of overheads indicates a decrease from 28% in the 2016/17 financial year to 17% in the 2017/18 budget year. This is an indication that current sales are just enough to cover the bulk purchase expenditure and not the monthly overhead expenditure.

Registered indigents will be granted 50 kWh per 30-day period free of charge.

The municipality proposed a R117.20 basic charge per month for conventional meters.

1.4 Sanitation and Impact of Tariff Increases

The tariff structure for the LIM 368 Municipality had been consolidated from the two former municipalities. Although the percentage tariff increases might be high in some of the categories, the actual amount will not have such a large impact on the total billed amount on the consumer's account. The tariff for all categories of sanitation consumers is based on the input cost assumptions related to the waste water services.

Table 7 as attached compares the current tariffs and the tariffs for 2017/18.

The table below provides a summary total operating revenue and expenditure in respect of sanitation.

	Budget 2017/18	Budget 2016/17
Total Sanitation Operating Revenue	22,409,572	19,062,998
Total Sanitation Operating Expenditure	20,920,690	19,842,580
Gross Profit/(Loss)	1,488,882	-779,582
Percentage Gross Profit/(Loss)	7%	-4%

The service is regarded as a trading service and is supposed to run on a surplus. The profit on sanitation is used to finance the deficit on the budget and thereby subsidising property rates tariffs.

The following table compares the current and proposed tariffs:

Table 6 Comparison between current sanitation charges and increases

1. BASIC CHARGES	Modimolle		Mookgophong		LIM 368	
	TARIFFS 2016 / 2017				TARIFFS 2017 / 2018	
(1) A basic charge per month or part thereof shall be payable in respect of each erf, land, lot or other area within the municipality which have not been connected to Council's sewerage system but which can in the opinion of the Council be connected thereto:	R	-	R	219.65	R	219.65
(2) A basic charge per month or part thereof shall be payable in respect of each erf, land, lot or other area within the municipality which have been connected to Council's sewerage system :						
(a) Measuring up to 500m² in extent	R	-	R	35.81	R	42.43
(b) Measuring up to 1000m² in extent	R	-	R	47.74	R	56.57
(c) Measuring up to 2000m² in extent	R	-	R	60.05	R	71.16
(d) Plus: For every additional 1000m² or part thereof	R	-	R	25.23	R	29.90
(e) Measuring up to 600m² in extent	R	36.27	R	-	R	-
(f) Measuring up to 1,983m² in extent	R	72.89	R	-	R	-
(g) Measuring up to 2,975m² in extent	R	96.55	R	-	R	-
(h) Measuring up to 3,966m² in extent	R	120.85	R	-	R	-
(i) Measuring up to 4,957m² in extent	R	144.82	R	-	R	-
(j) Measuring up to 9,914m² in extent	R	168.95	R	-	R	-
(k) Measuring more than 9,914m² (for every 992m²)	R	4.05	R	-	R	-
(l) Per toilet (minimum with no water consumption)	R	61.38	R	-	R	-
(m) Per kl of water consumption (40%)	R	7.60	R	-	R	-

1.5 Waste Removal and Impact of Tariff Increases

It is widely accepted that the rendering of this service should at least break even, which were in the previous years not the case.

The tariff structure for the waste removal of the two former municipalities had been consolidated. Although the percentage tariff increases might be high in some of the categories, the actual amount will not have such a large impact on the total billed amount on the consumer's account.

Table 8 compares current and proposed amounts payable from 1 July 2017.

The table below provides a summary total operating revenue and expenditure in respect of refuse.

	Budget 2017/18	Budget 2016/17
Total Refuse Operating Revenue	16,778,125	15,243,920
Total Refuse Operating Expenditure	30,119,252	26,347,227
Gross Profit/(Loss)	-13,341,127	-11,103,307
Percentage Gross Profit/(Loss)	-44%	-42%

Table 7 Comparison between current waste removal fees and increases

1. REFUSE REMOVAL:	Modimolle		Mookgophong		LIM 368	
	TARIFFS 2016 / 2017				TARIFFS 2017 / 2018	
(1) **Domestic**						
(a) Removal of domestic refuse Residential 1, Standard Residence, once per week per dwelling or part thereof :	R	92.59	R	148.30	R	101.85
(b) Removal of domestic refuse Residential 2 Domestic stand with more tan one independent hous/ flat, once per week per dwelling or part thereof :	R	740.00	R	-	R	814.00
(c) Removal of domestic refuse Residential 3 Flats, once per week per dwelling or part thereof :	R	1,851.74	R	-	R	2,036.91
(d) Removal of domestic refuse once per week per dwelling for all registered indigents:		Free		Free		Free
(2) **Commercial and Other**						
(a) Removal of refuse from business, public hospitals / clinics, schools, hostels and any other premises not mentioned in Item 1, twice (2) per week per entity / unit per month or part of a month:	R	277.30	R	253.16	R	305.03
(b) Game / Guest Farms Lodges and Resorts, dumping at the dumping site, per truck :	R	-	R	298.10	R	318.97
(c) Game / Guest Farms Lodges and Resorts, refuse removal by the municipality :						
- quantity of refuse, per truck:	R	-	R	298.10	R	318.97
- transport from the collection point to the dumping site, per km :	R	-	R	44.94	R	48.09

1.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 8 MBRR Table 14 - Household bills

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates									602.31	638.45	676.76
Electricity: Basic levy									117.20	121.89	126.76
Electricity: Consumption									1 489.72	1 549.31	1 611.28
Water: Basic levy									60.00	63.00	66.15
Water: Consumption									429.70	451.19	473.74
Sanitation									331.45	354.65	379.48
Refuse removal									101.85	108.98	113.34
Other											
sub-total		–	–	–	–	–	–	–	**3 132.23**	**3 287.46**	**3 447.51**
VAT on Services									354.19	370.86	387.91
Total large household bill:		–	–	–	–	–	–	–	**3 486.42**	**3 658.33**	**3 835.42**
% increase/-decrease			–	–	–	–	–		–	**4.9%**	**4.8%**
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates									421.98	447.30	474.14
Electricity: Basic levy									117.20	121.89	126.76
Electricity: Consumption									602.13	626.22	651.26
Water: Basic levy									60.00	63.00	66.15
Water: Consumption									340.10	357.11	374.96
Sanitation									316.86	339.04	362.77
Refuse removal									101.85	108.98	113.34
Other											
sub-total		–	–	–	–	–	–	–	**1 960.12**	**2 063.53**	**2 169.39**
VAT on Services									215.34	226.27	237.33
Total small household bill:		–	–	–	–	–	–	–	**2 175.46**	**2 289.80**	**2 406.72**
% increase/-decrease			–	–	–	–	–		–	**5.3%**	**5.1%**
				-	-	-	-				
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates									–	–	–
Electricity: Basic levy									–	–	–
Electricity: Consumption								#DIV/0!	329.73	342.92	356.64
Water: Basic levy									–	–	–
Water: Consumption								#DIV/0!	134.20	140.91	147.96
Sanitation									–	–	–
Refuse removal									–	–	–
Other									–	–	–
sub-total		–	–	–	–	–	–	–	**463.93**	**483.83**	**504.59**
VAT on Services								#NAME?	64.95	67.74	70.64
Total small household bill:		–	–	–	–	–	–	–	**528.88**	**551.57**	**575.23**
% increase/-decrease			–	–	–	–	–		–	**4.3%**	**4.3%**

Criteria used to calculate household bills: *1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water*

2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water

3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

2. Operating expenditure framework

The following table is a high level summary of the 2017/18 budget and MTREF (classified per main type of operating expenditure)

Table 9 Summary of operating expenditure by standard classification item

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Expenditure By Type											
Employee related costs	2	–	–	–	–	–	–	–	190,673	207,355	224,507
Remuneration of councillors									9,718	10,204	10,714
Debt impairment	3								26,665	27,998	28,838
Depreciation & asset impairment	2	–	–	–	–	–	–	–	76,947	80,025	83,226
Finance charges									13,575	13,723	13,901
Bulk purchases	2	–	–	–	–	–	–	–	165,491	168,044	170,697
Other materials	8								8,864	9,218	9,587
Contracted services		–	–	–	–	–	–	–	54,080	57,275	59,636
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	–	–	–	–	–	–	–	27,756	28,548	29,598
Loss on disposal of PPE											
Total Expenditure		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**573,771**	**602,391**	**630,705**

Circular 71 sets the norm for remuneration cost to the total of operating expenditure to be between 24% and 40% with remuneration classified as Employee Related Cost and Councillors Remuneration. The municipality is currently at 35%.

The budgeted allocation for employee related costs for the 2017/18 financial year totals R190.7 million, which equals 33 percent of the total operating expenditure. The overtime budget equals 2.4 percent of employee related costs. This is because of aging infrastructure and the expanding of services placing more pressure on our networks. The three year collective SALGBC agreement lapses on the 30 June 2017. The salary increases have been factored into this budget at a percentage increase of 7.36 percent for the 2017/18 financial year.

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R77 million for the 2017/18 financial and equates to 18 percent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation.

Finance charges consist primarily of the repayment of interest on late payments and finance cost related to provisions. Finance charges make up 2.4 percent (R13.6 million) of operating expenditure.

The budgeted allocation for Bulk purchases for the 2017/18 financial year totals R165.5 million, which equals 29 percent of the total operating budget. Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Magalies Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Repair and Maintenance consist of other material and employee related cost to the amount of R62.4 million and equals 11% of the operating budget. Contracted services is R18.9 million and employee related cost is R43.5 million. Repair and Maintenance equals 4.9% of the Property, Plant and Equipment, this is below the target of 8% set by National Treasury. The reason for not reaching the target is due to the increase in the Municipalities assets with the implementation of GRAP 17.

3. Cash flow

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash flows										
Net cash from (used) operating	–	–	–	–	–	–	–	125,370	124,423	142,094
Net cash from (used) investing	–	–	–	–	–	–	–	(125,231)	(124,244)	(141,369)
Net cash from (used) financing	–	–	–	–	–	–	–	(160)	–	–
Cash/cash equivalents at the year end	–	–	–	–	–	–	–	502	682	1,407

The cash flow budget was calculated using the following assumptions:

Cash flow from Operating Activities
Receipts:

- Consumer Debtors Collection Rate 95%
- Interest on Outstanding Debtors 30%
- All Other Revenue 100%

Payments

- Suppliers and Employees (excl. Non-Cash) 97%
- Finance Charges (excl. Non-Cash) 19%
- Bulk Purchases – Electricity 92%
- Bulk Purchases – Water 90%

Cash flow from Investing Activities

- Capital Assets 100%

Cash flow from Financing Activities

- Repayment of Borrowings as per payment schedule

The assumption on the debtors collection rate increase is due to the municipality incorporating pre-paid electricity consumers to its credit control process. The municipality

aims to collect a percentage from pre-paid electricity users with every future purchase that is made. The municipality is also increasing its credit control and debt collection activities.

Based on the above mentioned assumptions the projected net cash from operating activities of amounts to R125.4 million, net cash used from investing activities of R125.2 million and net cash used from financing activities of R160 thousand. The Municipality is budgeting for a net decrease in cash held of R20 thousand for the 2017/18 financial year that will increase to R1.4 million in the 2019/20 financial year.

4. Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 10 2017/18 Medium-term capital budget per vote

Vote Description	Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2017/18	%	Budget Year +1 2018/19	%	Budget Year +2 2019/20	%
Vote1 - Executive & Council	–	0%	–	0%	–	0%	–	0%
Vote2 - Financial Services	–	0%	–	0%	–	0%	–	0%
Vote3 - Corporate Services	–	0%	–	0%	–	0%	–	0%
Vote4 - Social Services	4,600	4%	7,344	6%	6,000	5%	17,000	12%
Vote5 - Techical Services	101,604	96%	117,887	94%	118,244	95%	124,369	88%
Vote 6 - Planning and Development	–	0%	–	0%	–	0%	–	0%
Total Capital Budget	**106,204**	**100%**	**125,231**	**100%**	**124,244**	**100%**	**141,369**	**100%**

For 2017/18 an amount of R117.9 million has been appropriated for the development of infrastructure which represents 94 percent of the total capital budget. In the outer years this amount totals R118.2 million and R124.4 million respectively for each of the financial years. An amount of R7.3 million has been appropriated for social development projects in the 2017/18 financial year.

Total new assets represent 42 percent or R52 million of the total capital budget while asset renewal equates to 58 percent or R72.2 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 22 MBRR A9 (Asset Management) on page 50. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 96, 97 and 98).

4. ANNUAL BUDGET TABLES

The information in the following Tables A1 to A10 constitutes the Municipalities budget for the 2017/18 financial year and indicative allocations for the 2018/19 and 2019/20 financial years in terms of section 8 of the Municipal Budget and Reporting Regulations.

The Municipality does not have any entities through which it provides municipal services. Instead, services are provided internally through departments. The key departments are Technical and Social Services. In instances where internal capability is limited, services are provided through external services providers. In such instances, Service Level Agreements are entered into with the service providers. Therefore, the budget tables that follow relate to the budget of the municipality only.

Table 11 MBRR Table A1 - Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Financial Performance										
Property rates	–	–	–	–	–	–	–	65,378	69,954	74,851
Service charges	–	–	–	–	–	–	–	243,399	257,239	270,705
Investment revenue	–	–	–	–	–	–	–	3,050	3,161	3,224
Transfers recognised - operational	–	–	–	–	–	–	–	105,115	107,191	114,041
Other own revenue	–	–	–	–	–	–	–	45,095	48,058	50,849
Total Revenue (excluding capital transfers and contributions)	–	–	–	–	–	–	–	462,037	485,604	513,670
Employee costs	–	–	–	–	–	–	–	190,673	207,355	224,507
Remuneration of councillors	–	–	–	–	–	–	–	9,718	10,204	10,714
Depreciation & asset impairment	–	–	–	–	–	–	–	76,947	80,025	83,226
Finance charges	–	–	–	–	–	–	–	13,575	13,723	13,901
Materials and bulk purchases	–	–	–	–	–	–	–	174,355	177,262	180,284
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	–	–	–	–	–	–	–	108,501	113,822	118,073
Total Expenditure	–	–	–	–	–	–	–	573,771	602,391	630,705
Surplus/(Deficit)	–	–	–	–	–	–	–	(111,734)	(116,786)	(117,035)
Transfers and subsidies - capital (monetary allocations)	–	–	–	–	–	–	–	125,231	124,244	141,359
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	–	–	–	–	–	–	–	13,496	7,457	24,323
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	–	–	–	–	–	–	–	13,496	7,457	24,323
Capital expenditure & funds sources										
Capital expenditure	–	–	–	–	–	–	–	125,231	124,244	141,369
Transfers recognised - capital	–	–	–	–	–	–	–	125,231	124,244	141,369
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–	–
Total sources of capital funds	–	–	–	–	–	–	–	125,231	124,244	141,369
Financial position										
Total current assets	–	–	–	–	–	–	–	218,711	252,623	290,895
Total non current assets	–	–	–	–	–	–	–	1,295,214	1,339,432	1,397,575
Total current liabilities	–	–	–	–	–	–	–	183,719	209,948	201,072
Total non current liabilities	–	–	–	–	–	–	–	101,333	107,822	112,861
Community wealth/Equity	–	–	–	–	–	–	–	1,228,873	1,274,286	1,374,536
Cash flows										
Net cash from (used) operating	–	–	–	–	–	–	–	125,370	124,423	142,094
Net cash from (used) investing	–	–	–	–	–	–	–	(125,231)	(124,244)	(141,369)
Net cash from (used) financing	–	–	–	–	–	–	–	(160)	–	–
Cash/cash equivalents at the year end	–	–	–	–	–	–	–	502	682	1,407
Cash backing/surplus reconciliation										
Cash and investments available	–	–	–	–	–	–	–	4,846	12,248	21,707
Application of cash and investments	–	–	–	–	–	–	–	(18,054)	(15,288)	(49,820)
Balance - surplus (shortfall)	–	–	–	–	–	–	–	22,900	27,536	71,526
Asset management										
Asset register summary (WDV)	–	–	–	–	–	–	1,295,092	1,295,092	1,339,310	1,397,453
Depreciation	–	–	–	–	–	–	76,947	76,947	80,025	83,226
Renewal of Existing Assets	–	–	–	–	–	–	–	5,000	–	10,000
Repairs and Maintenance	–	–	–	–	–	–	62,436	62,436	67,519	72,388
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	7,000	7,000	7,400	7,800
Revenue cost of free services provided	–	–	–	–	–	–	10,503	10,503	11,238	12,025
Households below minimum service level										
Water:	–	–	–	–	–	–	1	1	1	1
Sanitation/sewerage:	–	–	–	–	–	–	1	1	1	1
Energy:	–	–	–	–	–	–	1	1	1	1
Refuse:	–	–	–	–	–	–	6	6	6	6

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipalities budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

    a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF
    b. Capital expenditure is balanced by capital funding sources, of which

        i. Transfers recognised is reflected on the Financial Performance Budget;

4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations.

5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 12 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional										
Governance and administration		–	–	–	–	–	–	**103,978**	**111,113**	**118,359**
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		–	–	–	–	–	–	103,978	111,113	118,359
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		–	–	–	–	–	–	**4,867**	**5,211**	**5,527**
Community and social services		–	–	–	–	–	–	680	714	750
Sport and recreation		–	–	–	–	–	–	3	3	3
Public safety		–	–	–	–	–	–	4,184	4,494	4,775
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		–	–	–	–	–	–	**234,927**	**236,184**	**260,334**
Planning and development		–	–	–	–	–	–	226,594	227,443	251,163
Road transport		–	–	–	–	–	–	8,333	8,742	9,171
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		–	–	–	–	–	–	**243,496**	**257,340**	**270,809**
Energy sources		–	–	–	–	–	–	162,277	169,955	176,765
Water management		–	–	–	–	–	–	42,031	45,367	48,978
Waste water management		–	–	–	–	–	–	22,410	24,182	26,105
Waste management		–	–	–	–	–	–	16,778	17,835	18,961
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	–	–	–	–	–	–	**587,267**	**609,848**	**655,029**
Expenditure - Functional										
Governance and administration		–	–	–	–	–	–	**174,819**	**185,371**	**195,605**
Executive and council		–	–	–	–	–	–	46,144	48,093	50,201
Finance and administration		–	–	–	–	–	–	125,758	134,138	142,040
Internal audit		–	–	–	–	–	–	2,916	3,141	3,364
Community and public safety		–	–	–	–	–	–	**26,089**	**28,357**	**30,504**
Community and social services		–	–	–	–	–	–	8,826	9,541	10,269
Sport and recreation		–	–	–	–	–	–	13,031	14,259	15,388
Public safety		–	–	–	–	–	–	4,233	4,557	4,847
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		–	–	–	–	–	–	**75,247**	**79,375**	**84,609**
Planning and development		–	–	–	–	–	–	18,048	18,244	19,593
Road transport		–	–	–	–	–	–	57,198	61,131	65,016
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		–	–	–	–	–	–	**297,616**	**309,288**	**319,987**
Energy sources		–	–	–	–	–	–	196,800	200,413	204,041
Water management		–	–	–	–	–	–	48,694	52,050	55,471
Waste water management		–	–	–	–	–	–	22,003	23,494	24,916
Waste management		–	–	–	–	–	–	30,119	33,331	35,560
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	–	–	–	–	–	–	**573,771**	**602,391**	**630,705**
Surplus/(Deficit) for the year		–	–	–	–	–	–	**13,496**	**7,457**	**24,323**

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Waste water management function in the 2017/18 to 2019/20 financial year.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

Table 13 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	1									
Vote 1 - Public Office Bearers		–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		–	–	–	–	–	–	70	80	90
Vote 3 - Budget and Treasury		–	–	–	–	–	–	102,919	110,000	117,191
Vote 4 - Planning and Economic Development		–	–	–	–	–	–	99,404	101,134	107,627
Vote 5 - Technical Services		–	–	–	–	–	–	353,908	365,814	395,384
Vote 6 - Corporate Services		–	–	–	–	–	–	989	1,033	1,078
Vote 7 - Community and Social Services		–	–	–	–	–	–	29,978	31,787	33,659
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**–**	**–**	**–**	**–**	**–**	**–**	**587,267**	**609,848**	**655,029**
Expenditure by Vote ***to be appropriated***	1									
Vote 1 - Public Office Bearers		–	–	–	–	–	–	16,301	17,179	18,063
Vote 2 - Municipal Manager		–	–	–	–	–	–	39,005	40,812	42,781
Vote 3 - Budget and Treasury		–	–	–	–	–	–	64,971	69,334	73,182
Vote 4 - Planning and Economic Development		–	–	–	–	–	–	16,010	16,034	17,228
Vote 5 - Technical Services		–	–	–	–	–	–	313,090	324,555	335,963
Vote 6 - Corporate Services		–	–	–	–	–	–	54,543	58,045	61,578
Vote 7 - Community and Social Services		–	–	–	–	–	–	69,851	76,430	81,910
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**–**	**–**	**–**	**–**	**–**	**–**	**573,771**	**602,391**	**630,705**
Surplus/(Deficit) for the year	2	**–**	**–**	**–**	**–**	**–**	**–**	**13,496**	**7,457**	**24,323**

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

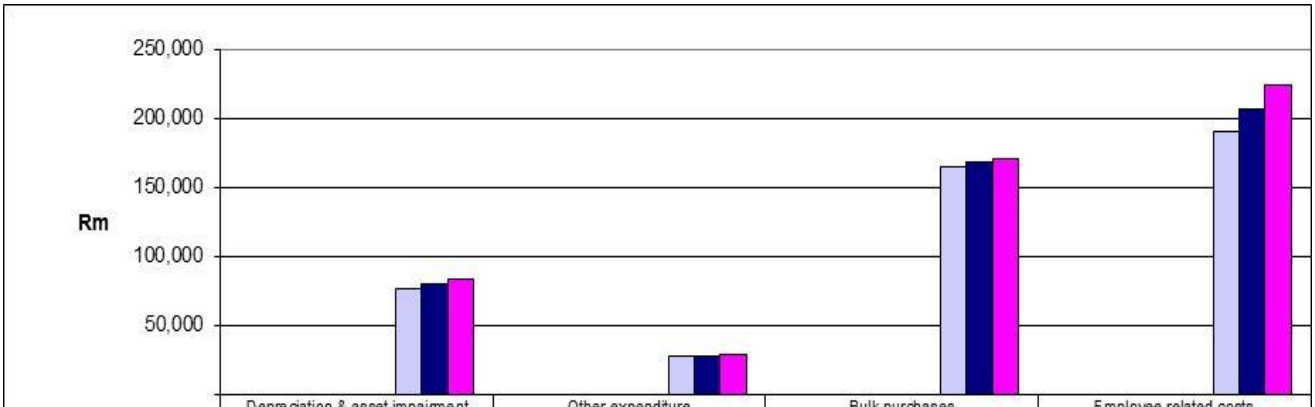
1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 14 MBRR Table A4 - Budgeted Financial Performance

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	–	–	–	–	–	–	–	65,378	69,954	74,851
Service charges - electricity revenue	2	–	–	–	–	–	–	–	162,181	169,855	176,661
Service charges - water revenue	2	–	–	–	–	–	–	–	42,031	45,367	48,978
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	22,410	24,182	26,105
Service charges - refuse revenue	2	–	–	–	–	–	–	–	16,778	17,835	18,961
Service charges - other											
Rental of facilities and equipment									608	636	665
Interest earned - external investments									3,050	3,161	3,224
Interest earned - outstanding debtors									29,707	31,787	33,694
Dividends received											
Fines, penalties and forfeits									161	161	161
Licences and permits									8,173	8,582	9,011
Agency services											
Transfers and subsidies									105,115	107,191	114,041
Other revenue	2	–	–	–	–	–	–	–	6,445	6,893	7,318
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		–	–	–	–	–	–	–	**462,037**	**485,604**	**513,670**
Expenditure By Type											
Employee related costs	2	–	–	–	–	–	–	–	190,673	207,355	224,507
Remuneration of councillors									9,718	10,204	10,714
Debt impairment	3								26,665	27,998	28,838
Depreciation & asset impairment	2	–	–	–	–	–	–	–	76,947	80,025	83,226
Finance charges									13,575	13,723	13,901
Bulk purchases	2	–	–	–	–	–	–	–	165,491	168,044	170,697
Other materials	8								8,864	9,218	9,587
Contracted services		–	–	–	–	–	–	–	54,080	57,275	59,636
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	–	–	–	–	–	–	–	27,756	28,548	29,598
Loss on disposal of PPE											
Total Expenditure		–	–	–	–	–	–	–	**573,771**	**602,391**	**630,705**
Surplus/(Deficit)		–	–	–	–	–	–	–	**(111,734)**	**(116,786)**	**(117,035)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									125,231	124,244	141,359
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		–	–	–	–	–	–	–	**13,496**	**7,457**	**24,323**
Taxation											
Surplus/(Deficit) after taxation		–	–	–	–	–	–	–	**13,496**	**7,457**	**24,323**
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		–	–	–	–	–	–	–	**13,496**	**7,457**	**24,323**
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		–	–	–	–	–	–	–	**13,496**	**7,457**	**24,323**

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R462 million in 2017/18 and escalates to R513.6 million by 2019/20. This represents a year-on-year increase of 5 percent for the 2018/19 financial year and 6 percent for the 2019/20 financial year.
2. Revenue to be generated from property rates is R65.4 million in the 2016/18 financial year and increases to R74.9 million by 2019/20 which represents 14 percent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totaling R243.4 million for the 2017/18 financial year and increasing to R270.7 million by 2019/20. For the 2017/18 financial year services charges amount to 53 percent of the total revenue base and grows by 3 percent per annum over the medium-term.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are increasing by 6 percent for the two outer years.
5. The following graph illustrates the major expenditure items per type.



	Depreciation & asset impairment	Other expenditure	Bulk purchases	Employee related costs
13/14 AUD				
14/15 AUD				
15/16 AUD				
CY 16/17 BUD				
CY 16/17 ADJ				
CY 16/17 FCST				
Budget Year 2017/18	76,947	27,756	165,491	190,673
Budget Year +1 2018/19	80,025	28,548	168,044	207,355
Budget Year +2 2019/20	83,226	29,598	170,697	224,507

Figure 1 Expenditure by major type

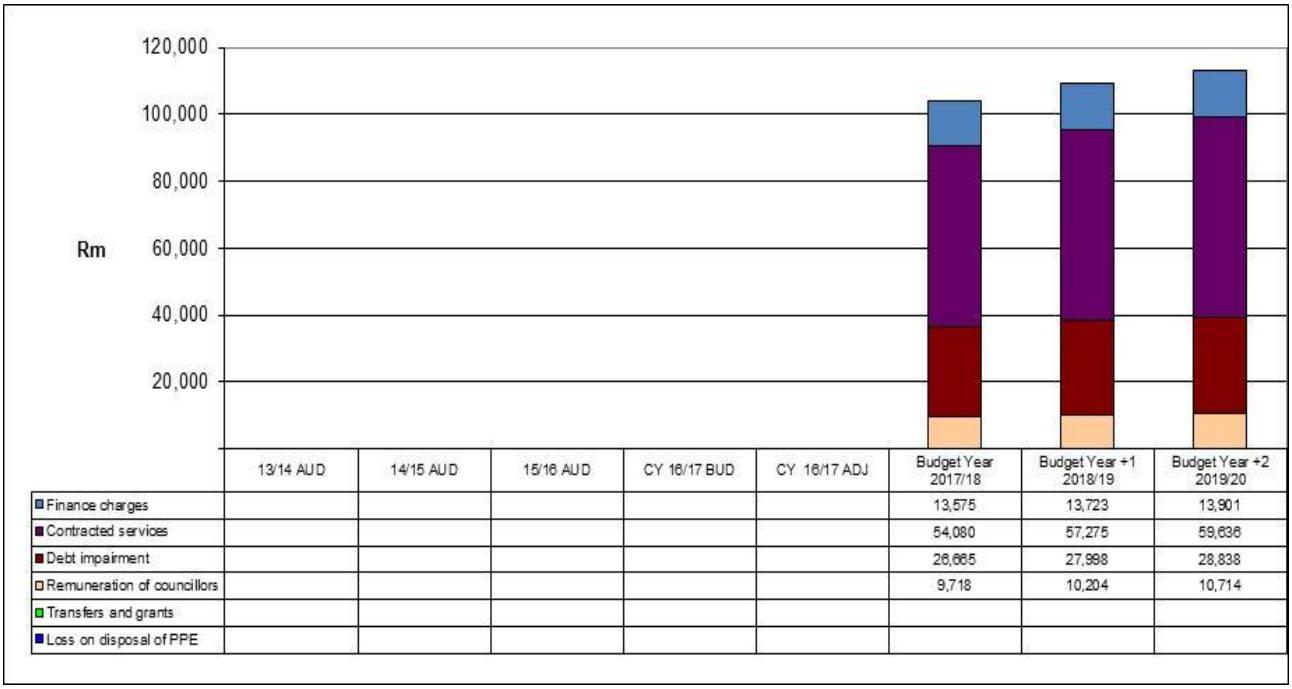


Figure 2 Expenditure by minor type

6. Bulk purchases have significantly increased over the 2017/18 to 2019/20 period escalating from R165.5 million to R170.7 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Magalies Water board.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.
8. The table below indicate the percentage spend/budgeted by type of expenditure.

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework					
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	%	Budget Year +1 2018/19	%	Budget Year +2 2019/20	%
Expenditure By Type												
Employee related costs	–	–	–	–	–	–	190,673	33%	207,355	34%	224,507	36%
Remuneration of councillors							9,718	2%	10,204	2%	10,714	2%
Debt impairment							26,665	5%	27,998	5%	28,838	5%
Depreciation & asset impairment	–	–	–	–	–	–	76,947	13%	80,025	13%	83,226	13%
Finance charges							13,575	2%	13,723	2%	13,901	2%
Bulk purchases	–	–	–	–	–	–	165,491	29%	168,044	28%	170,697	27%
Other materials							8,864	2%	9,218	2%	9,587	2%
Contracted services	–	–	–	–	–	–	54,080	9%	57,275	10%	59,636	9%
Transfers and subsidies	–	–	–	–	–	–	–	0%	–	0%	–	0%
Other expenditure	–	–	–	–	–	–	27,756	5%	28,548	5%	29,598	5%
Loss on disposal of PPE												
Total Expenditure	**–**	**–**	**–**	**–**	**–**	**–**	**573,771**	**100%**	**602,391**	**100%**	**630,705**	**100%**

The following expenditure type's equals to more than 60% of the operating budget and are fixed overhead expenditure:

- Employee Cost
- Councilors Remuneration
- Bulk Purchases

Other Expenditure decrease from 4.8% in the 2017/18 financial year to 4.7% in 2019/20 financial year. This indicates that the municipality has address cost cutting exercises as per the requirement of circular no.79 and 82.

Table 15 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Public Office Bearers		–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Budget and Treasury		–	–	–	–	–	–	–	–	–	–
Vote 4 - Planning and Economic Development		–	–	–	–	–	–	–	–	–	–
Vote 5 - Technical Services		–	–	–	–	–	–	–	73,387	93,244	74,369
Vote 6 - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 7 - Community and Social Services		–	–	–	–	–	–	–	7,344	6,000	17,000
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**80,731**	**99,244**	**91,369**
Single-year expenditure *to be appropriated*	2										
Vote 1 - Public Office Bearers		–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Budget and Treasury		–	–	–	–	–	–	–	–	–	–
Vote 4 - Planning and Economic Development		–	–	–	–	–	–	–	–	–	–
Vote 5 - Technical Services		–	–	–	–	–	–	–	44,500	25,000	50,000
Vote 6 - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 7 - Community and Social Services		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**44,500**	**25,000**	**50,000**
Total Capital Expenditure - Vote		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**125,231**	**124,244**	**141,369**
Capital Expenditure - Functional											
Governance and administration		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Executive and council											
Finance and administration											
Internal audit											
Community and public safety		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,844**	**–**	**–**
Community and social services											
Sport and recreation									2,844		
Public safety											
Housing											
Health											
Economic and environmental services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**10,262**	**7,925**	**7,925**
Planning and development											
Road transport									10,262	7,925	7,925
Environmental protection											
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**112,125**	**116,318**	**133,444**
Energy sources									8,000	5,000	10,000
Water management									60,817	59,000	98,222
Waste water management									38,808	46,318	8,222
Waste management									4,500	6,000	17,000
Other											
Total Capital Expenditure - Functional	3	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**125,231**	**124,244**	**141,369**
Funded by:											
National Government									125,231	124,244	141,369
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**125,231**	**124,244**	**141,369**
Public contributions & donations	5										
Borrowing	6										
Internally generated funds											
Total Capital Funding	7	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**125,231**	**124,244**	**141,369**

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2017/18 R80.7 million has been allocated of the total R125.2 million capital budget, which totals 65 percent. This allocation increases to R99.2 million in 2018/19 and increase to R91.4 million in 2019/20.
3. Single-year capital expenditure has been appropriated at R44.5 million for the 2017/18 financial.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme may be funded from grants and transfers and internal revenue. For 2017/18, capital transfers totals R125.3 million (100 percent) and increases to R141.4 million by 2019/20 (100 percent). The increase is due to the fact that the Municipal Infrastructure Grant allocation increases from R39 million for the 2017/18 financial year to R43.5 million in the 2019/20 financial year. The Municipality is also receiving an amount of R80 million in the 2017/18 financial year from the Water Services Infrastructure Grant.

Table 16 MBRR Table A6 - Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS											
Current assets											
Cash									1,340	8,573	17,854
Call investment deposits	1	–	–	–	–	–	–	–	3,384	3,553	3,731
Consumer debtors	1	–	–	–	–	–	–	–	196,969	223,239	251,812
Other debtors									8,398	8,548	8,698
Current portion of long-term receivables									430	430	430
Inventory	2								8,190	8,280	8,370
Total current assets		–	–	–	–	–	–	–	**218,711**	**252,623**	**290,895**
Non current assets											
Long-term receivables											
Investments									122	122	122
Investment property									10,713	10,713	10,713
Investment in Associate											
Property, plant and equipment	3	–	–	–	–	–	–	–	1,281,653	1,325,872	1,384,014
Agricultural											
Biological											
Intangible									2,726	2,726	2,726
Other non-current assets											
Total non current assets		–	–	–	–	–	–	–	**1,295,214**	**1,339,432**	**1,397,575**
TOTAL ASSETS		–	–	–	–	–	–	–	**1,513,925**	**1,592,056**	**1,688,470**
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	–	–	–	–	–	–	–	500	500	500
Consumer deposits									8,980	9,224	9,408
Trade and other payables	4	–	–	–	–	–	–	–	167,421	193,212	183,801
Provisions									6,818	7,012	7,363
Total current liabilities		–	–	–	–	–	–	–	**183,719**	**209,948**	**201,072**
Non current liabilities											
Borrowing		–	–	–	–	–	–	–	4,000	3,500	3,000
Provisions		–	–	–	–	–	–	–	97,333	104,322	109,861
Total non current liabilities		–	–	–	–	–	–	–	**101,333**	**107,822**	**112,861**
TOTAL LIABILITIES		–	–	–	–	–	–	–	**285,052**	**317,770**	**313,933**
NET ASSETS	5	–	–	–	–	–	–	–	**1,228,873**	**1,274,286**	**1,374,536**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)									1,228,873	1,274,286	1,374,536
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	–	–	–	–	–	–	–	**1,228,873**	**1,274,286**	**1,374,536**

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table 26 is supported by an extensive table of notes (SA3 which can be found on page 62) providing a detailed analysis of the major components of a number of items, including:

   - Call investments deposits;
   - Consumer debtors;
   - Property, plant and equipment;
   - Trade and other payables;
   - Provisions non-current;
   - Changes in net assets; and
   - Reserves

4. Included in Trade and other payables are the following classes of current liabilities:
   - Trade payables
   - Debtors with credit balances
   - Retention
   - Leave provision
   - Other Creditors e.g Unknown deposits

5. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

6. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 17 MBRR Table A7 - Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									62,109	66,457	71,109
Service charges									233,546	246,787	259,675
Other revenue									15,325	16,214	17,096
Government - operating	1								105,115	107,191	114,041
Government - capital	1								125,231	124,244	141,369
Interest									11,962	12,697	13,332
Dividends									–	–	–
Payments											
Suppliers and employees									(425,911)	(446,522)	(471,351)
Finance charges									(2,006)	(2,644)	(3,178)
Transfers and Grants	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	–	–	–	–	–	–	**125,370**	**124,423**	**142,094**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									–	–	–
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets									(125,231)	(124,244)	(141,369)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	–	–	–	–	–	**(125,231)**	**(124,244)**	**(141,369)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing									(160)	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	**(160)**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		–	–	–	–	–	–	–	**(20)**	**180**	**725**
Cash/cash equivalents at the year begin:	2								**522**	**502**	**682**
Cash/cash equivalents at the year end:	2	–	–	–	–	–	–	–	**502**	**682**	**1,407**

Table 18 MBRR Table A8 - Cash Backed Reserves / Accumulated Surplus Reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	–	–	–	–	–	–	–	502	682	1,407
Other current investments > 90 days		–	–	–	–	–	–	–	4,222	11,444	20,178
Non current assets - Investments	1	–	–	–	–	–	–	–	122	122	122
Cash and investments available:		–	–	–	–	–	–	–	**4,846**	**12,248**	**21,707**
Application of cash and investments											
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	–	–	–	–	–	–	–	(18,054)	(15,288)	(49,820)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		–	–	–	–	–	–	–	**(18,054)**	**(15,288)**	**(49,820)**
Surplus(shortfall)		–	–	–	–	–	–	–	**22,900**	**27,536**	**71,526**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2017/18 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. Cash and cash equivalents totals R0.5 million as at the end of the 2017/18 financial year and increases to R1.4 million by 2019/20.
5. Although the cash and cash equivalents increases over the medium term the municipality are faced with the concern that not all creditors can be paid because of the low collection rate.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2017/18 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA. The table is indicating that the municipality will be in a surplus in the 2017/18 to 2019/20 financial years. The municipality will need to increase its revenue collection in this budget to afford the following year's budget.

Table 19 MBRR Table A9 - Asset Management

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE									
Total New Assets	–	–	–	–	–	–	**52,054**	**23,281**	**59,184**
Roads Infrastructure	–	–	–	–	–	–	6,902	3,963	3,963
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	–	–	–	–	–	–	4,000	5,000	10,000
Water Supply Infrastructure	–	–	–	–	–	–	16,000	–	20,000
Sanitation Infrastructure	–	–	–	–	–	–	17,808	8,318	8,222
Solid Waste Infrastructure	–	–	–	–	–	–	4,500	6,000	17,000
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	–	–	–	–	–	–	***49,210***	***23,281***	***59,184***
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	2,844	–	–
Community Assets	–	–	–	–	–	–	***2,844***	–	–
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Other Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Machinery and Equipment	–	–	–	–	–	–	–	–	–
Transport Assets	–	–	–	–	–	–	–	–	–
Libraries	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE									
Total Renewal of Existing Assets	–	–	–	–	–	–	**5,000**	–	**10,000**
Roads Infrastructure	–	–	–	–	–	–	–	–	–
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure	–	–	–	–	–	–	–	–	10,000
Sanitation Infrastructure	–	–	–	–	–	–	5,000	–	–
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	–	–	–	–	–	–	***5,000***	–	***10,000***
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Community Assets	–	–	–	–	–	–	–	–	–
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Other Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Machinery and Equipment	–	–	–	–	–	–	–	–	–
Transport Assets	–	–	–	–	–	–	–	–	–
Libraries	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE									
Total Upgrading of Existing Assets	–	–	–	–	–	–	**68,177**	**100,963**	**72,184**
Roads Infrastructure	–	–	–	–	–	–	–	–	–
Storm water Infrastructure	–	–	–	–	–	–	3,360	3,963	3,963
Electrical Infrastructure	–	–	–	–	–	–	4,000	–	–
Water Supply Infrastructure	–	–	–	–	–	–	44,817	59,000	68,222
Sanitation Infrastructure	–	–	–	–	–	–	16,000	38,000	–
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	–	–	–	–	–	–	***68,177***	***100,963***	***72,184***
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Community Assets	–	–	–	–	–	–	–	–	–
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Other Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Machinery and Equipment	–	–	–	–	–	–	–	–	–
Transport Assets	–	–	–	–	–	–	–	–	–
Libraries	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE									
Total Capital Expenditure									
Roads Infrastructure	–	–	–	–	–	–	6,902	3,963	3,963
Storm water Infrastructure	–	–	–	–	–	–	3,360	3,963	3,963
Electrical Infrastructure	–	–	–	–	–	–	8,000	5,000	10,000
Water Supply Infrastructure	–	–	–	–	–	–	60,817	59,000	98,222
Sanitation Infrastructure	–	–	–	–	–	–	38,808	46,318	8,222
Solid Waste Infrastructure	–	–	–	–	–	–	4,500	6,000	17,000
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	**–**	**–**	**–**	**–**	**–**	**–**	***122,387***	***124,244***	***141,369***
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	2,844	–	–
Community Assets	**–**	**–**	**–**	**–**	**–**	**–**	***2,844***	**–**	**–**
Heritage Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Other Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Libraries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL CAPITAL EXPENDITURE - Asset class	**–**	**–**	**–**	**–**	**–**	**–**	**125,231**	**124,244**	**141,369**

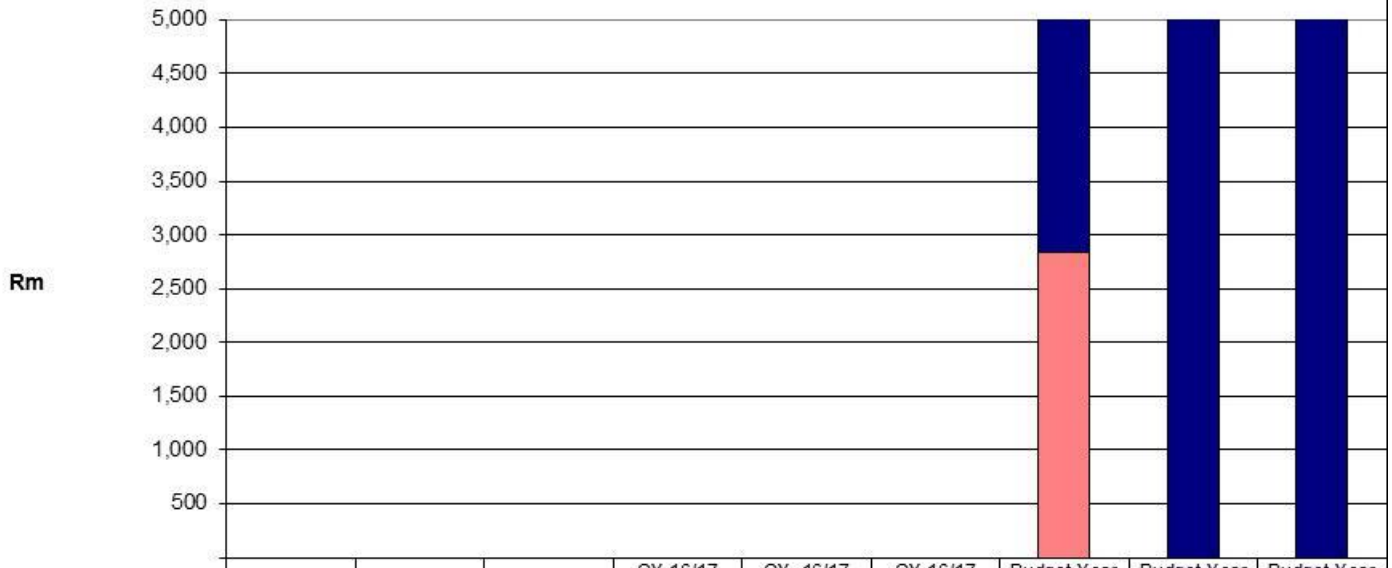
Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE									
ASSET REGISTER SUMMARY - PPE (WDV)									
Roads Infrastructure							232,375	215,545	197,884
Storm water Infrastructure							25,724	29,648	33,572
Electrical Infrastructure							122,670	120,324	122,685
Water Supply Infrastructure							175,510	224,964	313,258
Sanitation Infrastructure							149,071	162,385	136,282
Solid Waste Infrastructure							10,793	7,952	15,756
Rail Infrastructure									
Coastal Infrastructure									
Information and Communication Infrastructure									
Infrastructure	–	–	–	–	–	–	***716,143***	***760,818***	***819,436***
Community Facilities							491,976	491,976	491,976
Sport and Recreation Facilities							19,962	19,962	19,962
Community Assets	–	–	–	–	–	–	***511,938***	***511,938***	***511,938***
Heritage Assets							**62**	**62**	**62**
Revenue Generating							4,530	4,530	4,530
Non-revenue Generating							6,183	6,183	6,183
Investment properties	–	–	–	–	–	–	***10,713***	***10,713***	***10,713***
Operational Buildings							46,443	46,443	46,443
Housing							1,691	1,691	1,691
Other Assets	–	–	–	–	–	–	***48,135***	***48,135***	***48,135***
Biological or Cultivated Assets									
Servitudes							2,642	2,642	2,642
Licences and Rights							84	84	84
Intangible Assets	–	–	–	–	–	–	***2,726***	***2,726***	***2,726***
Computer Equipment							–	–	–
Furniture and Office Equipment							**1,237**	**781**	**306**
Machinery and Equipment							**731**	**731**	**731**
Transport Assets							**3,469**	**3,469**	**3,469**
Libraries									
Zoo's, Marine and Non-biological Animals									
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	–	–	–	–	–	–	**1,295,092**	**1,339,310**	**1,397,453**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE OTHER ITEMS										
Depreciation	7	–	–	–	–	–	–	76,947	80,025	83,226
Repairs and Maintenance by Asset Class	3	–	–	–	–	–	–	**62,436**	**67,519**	**72,388**
Roads Infrastructure		–	–	–	–	–	–	13,582	14,891	16,143
Storm water Infrastructure		–	–	–	–	–	–	878	991	1,083
Electrical Infrastructure		–	–	–	–	–	–	16,837	18,084	19,311
Water Supply Infrastructure		–	–	–	–	–	–	17,848	19,281	20,684
Sanitation Infrastructure		–	–	–	–	–	–	9,636	10,432	11,183
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	***58,781***	***63,680***	***68,404***
Community Facilities		–	–	–	–	–	–	120	125	130
Sport and Recreation Facilities		–	–	–	–	–	–	271	282	293
Community Assets		–	–	–	–	–	–	***391***	***407***	***423***
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	732	761	792
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	***732***	***761***	***792***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	407	423	440
Intangible Assets		–	–	–	–	–	–	***407***	***423***	***440***
Computer Equipment		–	–	–	–	–	–	**515**	**536**	**557**
Furniture and Office Equipment		–	–	–	–	–	–	**421**	**484**	**503**
Machinery and Equipment		–	–	–	–	–	–	**1,189**	**1,229**	**1,270**
Transport Assets		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		–	–	–	–	–	–	**139,383**	**147,544**	**155,614**
Renewal and upgrading of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*58.4%*	*81.3%*	*58.1%*
Renewal and upgrading of Existing Assets as % of deprecn		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*95.1%*	*126.2%*	*98.7%*
R&M as a % of PPE		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*4.9%*	*5.1%*	*5.2%*
Renewal and upgrading and R&M as a % of PPE		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*10.0%*	*13.0%*	*11.0%*

Explanatory notes to Table A9 - Asset Management

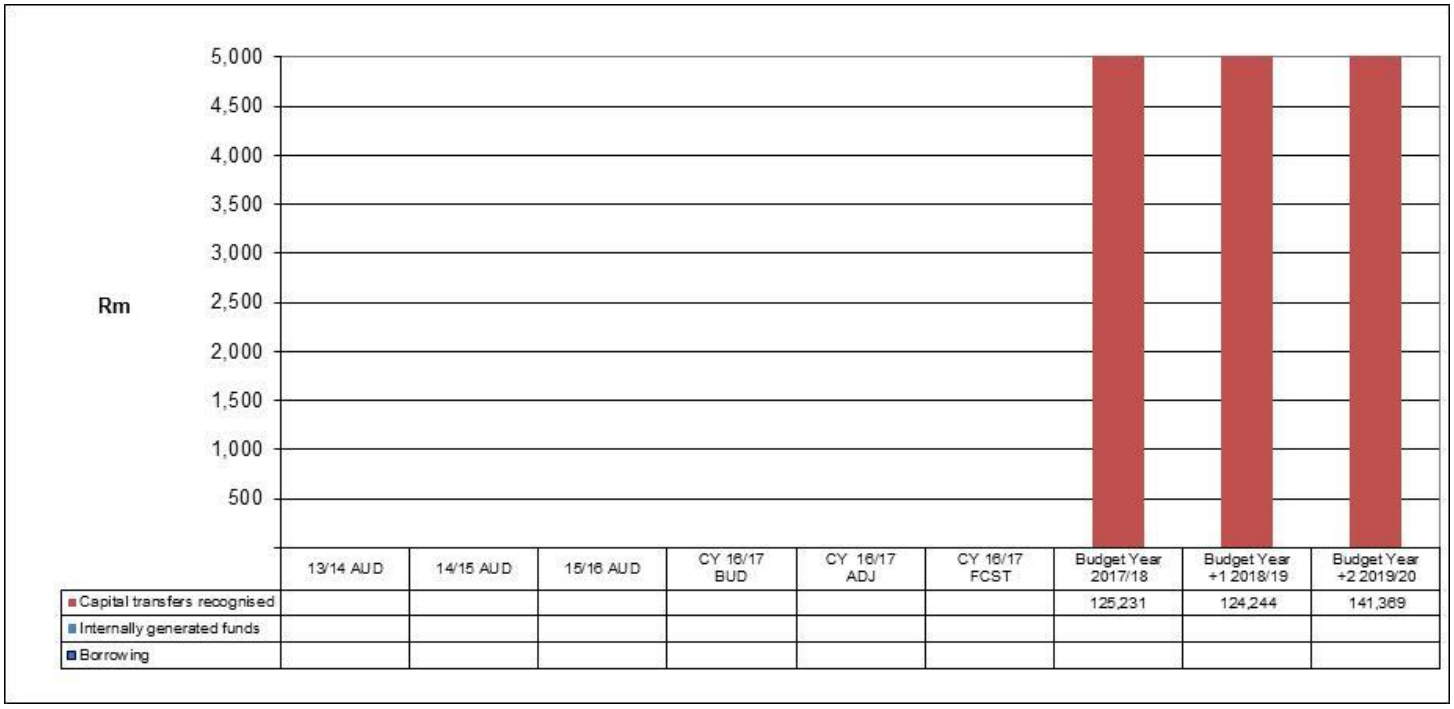
1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. The Municipality unbundled its infrastructure assets in the 2010 and 2011 financial year. This resulted in an increase in the PPE value. The municipality takes note of the National Treasury Circular No. 55 that Repair and Maintenance must be at least 8% of the PPE value but this cannot be done in 5 financial years. The repair and maintenance for 2017/18 is 4.7% of PPE and increase to 4.9% in the 2019/20 financial year.

3. The repair and maintenance plus renewal capital budget percentage increased from the 2017/18 financial year. In the 2017/18 financial year it was 10% of PPE and increase to 11% in the 2019/20 financial.



	13/14 AUD	14/15 AUD	15/16 AUD	CY 16/17 BUD	CY 16/17 ADJ	CY 16/17 FCST	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Planning & Development									
Water							60,817	59,000	98,222
Energy sources							8,000	5,000	10,000
Road Transport							10,262	7,925	7,925
Waste Water Management							38,808	46,318	8,222
Budget & Treasury Office									
Waste Management							4,500	6,000	17,000
Community & Social Services									
Sport and Recreation							2,844		
Executive & Council									
Public Safety									
Corporate Services									

Figure 3 Capital by standard classification



	13/14 AUD	14/15 AUD	15/16 AUD	CY 16/17 BUD	CY 16/17 ADJ	CY 16/17 FCST	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital transfers recognised							125,231	124,244	141,369
Internally generated funds									
Borrowing									

Figure 4 Capital Funding by Source

Table 20 MBRR Table A10 - Basic Service Delivery Measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	21,649	21,649	21,649
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	4,944	5,260	5,260
Using public tap (at least min.service level)	2	–	–	–	–	–	–	1,616	1,300	1,300
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	28,209	28,209	28,209
Using public tap (< min.service level)	3	–	–	–	–	–	–	277	811	811
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	257	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	534	811	811
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**28,743**	**29,020**	**29,020**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	23,613	23,613	23,613
Flush toilet (with septic tank)		–	–	–	–	–	–	525	525	525
Chemical toilet		–	–	–	–	–	–	86	86	86
Pit toilet (ventilated)		–	–	–	–	–	–	1,614	1,614	1,614
Other toilet provisions (> min.service level)		–	–	–	–	–	–	1,917	1,917	1,917
Minimum Service Level and Above sub-total		–	–	–	–	–	–	27,755	27,755	27,755
Bucket toilet		–	–	–	–	–	–	195	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	262	–	–
No toilet provisions		–	–	–	–	–	–	527	527	527
Below Minimum Service Level sub-total		–	–	–	–	–	–	984	527	527
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**28,739**	**28,282**	**28,282**
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	13,035	12,185	11,685
Electricity - prepaid (min.service level)		–	–	–	–	–	–	15,535	16,535	18,035
Minimum Service Level and Above sub-total		–	–	–	–	–	–	28,570	28,720	29,720
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	1,300	1,300	1,300
Below Minimum Service Level sub-total		–	–	–	–	–	–	1,300	1,300	1,300
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**29,870**	**30,020**	**31,020**
Refuse:										
Removed at least once a week		–	–	–	–	–	–	22,978	22,978	22,978
Minimum Service Level and Above sub-total		–	–	–	–	–	–	22,978	22,978	22,978
Removed less frequently than once a week		–	–	–	–	–	–	103	103	103
Using communal refuse dump		–	–	–	–	–	–	208	208	208
Using own refuse dump		–	–	–	–	–	–	2,725	2,725	2,725
Other rubbish disposal		–	–	–	–	–	–	2,305	2,305	2,305
No rubbish disposal		–	–	–	–	–	–	423	423	423
Below Minimum Service Level sub-total		–	–	–	–	–	–	5,764	5,764	5,764
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**28,742**	**28,742**	**28,742**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	5,000	5,000	5,000
Sanitation (free minimum level service)		–	–	–	–	–	–	5,000	5,000	5,000
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	5,000	5,000	5,000
Refuse (removed at least once a week)		–	–	–	–	–	–	5,000	5,000	5,000
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		–	–	–	–	–	–	1,000	1,100	1,200
Sanitation (free sanitation service to **indigent households**)		–	–	–	–	–	–	1,000	1,100	1,200
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	–	–	–	2,500	2,600	2,700
Refuse (removed once a week **for indigent households**)		–	–	–	–	–	–	2,500	2,600	2,700
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		**–**	**–**	**–**	**–**	**–**	**–**	**7,000**	**7,400**	**7,800**
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)								6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)								50	50	50
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)										
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	–	–	–	10,503	11,238	12,025
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	–	–	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		**–**	**–**	**–**	**–**	**–**	**–**	**10,503**	**11,238**	**12,025**

Table 21MBRR Table SA 1 - Supporting detail to 'Budgeted Financial Performance

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
REVENUE ITEMS:											
Property rates	6										
Total Property Rates									75,881	81,192	86,876
less Revenue Foregone ***(exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)***									10,503	11,238	12,025
Net Property Rates		–	–	–	–	–	–	–	**65,378**	**69,954**	**74,851**
Service charges - electricity revenue	6										
Total Service charges - electricity revenue									164,681	172,455	179,361
less Revenue Foregone ***(in excess of 50 kwh per indigent household per month)***											
less Cost of Free Basis Services (50 kwh per indigent household per month)		–	–	–	–	–	–		2,500	2,600	2,700
Net Service charges - electricity revenue		–	–	–	–	–	–	–	**162,181**	**169,855**	**176,661**
Service charges - water revenue	6										
Total Service charges - water revenue									**43,031**	**46,467**	**50,178**
less Revenue Foregone ***(in excess of 6 kilolitres per indigent household per month)***											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		–	–	–	–	–	–		1,000	1,100	1,200
Net Service charges - water revenue		–	–	–	–	–	–	–	**42,031**	**45,367**	**48,978**
Service charges - sanitation revenue											
Total Service charges - sanitation revenue									**23,410**	**25,282**	**27,305**
less Revenue Foregone ***(in excess of free sanitation service to indigent households)***											
less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	–	–	–	–		1,000	1,100	1,200
Net Service charges - sanitation revenue		–	–	–	–	–	–	–	**22,410**	**24,182**	**26,105**
Service charges - refuse revenue	6										
Total refuse removal revenue									19,278	20,435	21,661
Total landfill revenue											
less Revenue Foregone ***(in excess of one removal a week to indigent households)***											
less Cost of Free Basis Services (removed once a week to indigent households)		–	–	–	–	–	–		2,500	2,600	2,700
Net Service charges - refuse revenue		–	–	–	–	–	–	–	**16,778**	**17,835**	**18,961**
Other Revenue by source											
Administrative Handling Fees									106	110	114
Skills Development Levy Refund									60	60	60
Staff Recoveries									675	709	744
Advertisements									70	80	90
Building Plan Approval									294	309	324
Cemetery and Burial									299	314	330
Clearance Certificates									300	324	350
Fire Services									4,184	4,494	4,775
Library Fees									28	29	31
Sale of Goods									350	378	409
Valuation Services									79	85	92
	3										
Total 'Other' Revenue	1	–	–	–	–	–	–	–	**6,445**	**6,893**	**7,318**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2								124,536	135,862	147,601
Pension and UIF Contributions									25,690	28,238	30,672
Medical Aid Contributions									7,771	8,315	8,897
Overtime									4,596	4,866	5,142
Performance Bonus											
Motor Vehicle Allowance									10,409	11,138	11,918
Cellphone Allowance									798	854	913
Housing Allowances									566	606	648
Other benefits and allowances									7,763	8,333	8,933
Payments in lieu of leave									1,604	1,716	1,837
Long service awards									2,084	1,510	1,966
Post-retirement benefit obligations	4								4,856	5,916	5,980
sub-total	5	–	–	–	–	–	–	–	**190,673**	**207,355**	**224,507**
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	–	–	–	–	–	–	–	**190,673**	**207,355**	**224,507**
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment									76,947	80,025	83,226
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	–	–	–	–	–	–	–	**76,947**	**80,025**	**83,226**
Bulk purchases											
Electricity Bulk Purchases									152,775	154,310	155,865
Water Bulk Purchases									12,716	13,734	14,832
Total bulk purchases	1	–	–	–	–	–	–	–	**165,491**	**168,044**	**170,697**
Contracted services											
Business and Advisory									6,233	6,594	6,963
Infrastructure and Planning									990	1,030	1,071
Legal Cost									5,300	5,506	5,720
Maintenance of Buildings and Facilities									537	559	581
Maintenance of Equipment									9,223	9,631	10,008
Maintenance of Unspecified Assets									8,065	9,294	9,665
Sewerage Services									162	169	175
Traffic and Street Lights									319	332	345
Transportation									15	15	16
Burial Services									105	109	114
Business and Advisory									16	17	17
Catering Services									70	73	75
Security Services									8,954	9,312	9,685
Water Takers									1,248	1,298	1,350
Machinery and Equipment									1,449	1,501	1,555
Transport Assets									11,395	11,837	12,297
sub-total	1	–	–	–	–	–	–	–	**54,080**	**57,275**	**59,636**
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											
Total contracted services		–	–	–	–	–	–	–	**54,080**	**57,275**	**59,636**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Other Expenditure By Type											
Collection costs											
Contributions to 'other' provisions											
Consultant fees											
Audit fees									5,139	5,312	5,491
General expenses	3								3,167	3,050	3,126
List Other Expenditure by Type											
Advertising Publicity and Marketing									425	442	459
Bank Charges Facility and Card Fees									887	905	923
Bargaining Council									468	477	487
Bursaries (Employees)									–	–	–
Cleaning Services									10	10	11
Commission									4,316	4,489	4,668
Communication									1,035	1,066	1,098
Drivers Licences and Permits									10	10	11
Entertainment									70	71	73
External Computer Service									4,325	4,498	4,678
Insurance Underwriting									2,160	2,246	2,335
Learnerships and Internships									40	42	43
Levies Paid - Water Resource Management Charges									26	27	28
Parking Fees									2	2	2
Printing Publications and Books									340	356	372
Professional Bodies Membership and Subscription									1,362	1,416	1,473
Registration Fees									781	768	793
Remuneration to Ward Committees									1,220	1,244	1,269
Samples and Specimens									469	488	507
Skills Development Fund Levy									1,504	1,629	1,750
Total 'Other' Expenditure	1	–	–	–	–	–	–	–	**27,756**	**28,548**	**29,598**

Repairs and Maintenance by Expenditure Item	8										
Employee related costs									43,531	47,819	51,909
Other materials									7	7	7
Contracted Services									18,898	19,692	20,471
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	–	–	–	–	–	–	–	62,436	67,519	72,388

Table 22 MBRR Table SA 2 - Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Public Office Bearers	Vote 2 - Municipal Manager	Vote 3 - Budget and Treasury	Vote 4 - Planning and Economic Development	Vote 5 - Technical Services	Vote 6 - Corporate Services	Vote 7 - Community and Social Services	Total
R thousand	1								
Revenue By Source									
Property rates				65,378					**65,378**
Service charges - electricity revenue						162,181			**162,181**
Service charges - water revenue						42,031			**42,031**
Service charges - sanitation revenue						22,410			**22,410**
Service charges - refuse revenue								16,778	**16,778**
Service charges - other									**–**
Rental of facilities and equipment							250	354	**604**
Interest earned - external investments				3,050					**3,050**
Interest earned - outstanding debtors				29,707					**29,707**
Dividends received									**–**
Fines, penalties and forfeits								161	**161**
Licences and permits								8,857	**8,857**
Agency services									**–**
Other revenue			70	739	294	96	739	3,827	**5,765**
Transfers and subsidies				4,045	99,110	1,960			**105,115**
Gains on disposal of PPE									**–**
Total Revenue (excluding capital transfers and contributi		**–**	**70**	**102,919**	**99,404**	**228,677**	**989**	**29,978**	**462,037**
Expenditure By Type									
Employee related costs		2,535	11,923	28,144	13,860	57,844	26,500	49,868	**190,673**
Remuneration of councillors		9,718							**9,718**
Debt impairment				26,665					**26,665**
Depreciation & asset impairment		166	18,443	536	37	44,815	4,020	8,930	**76,947**
Finance charges			171			10,000	2,385	1,019	**13,575**
Bulk purchases						165,491			**165,491**
Other materials		310	110	959	129	5,791	696	869	**8,864**
Contracted services		37	543	4,963	800	14,990	15,350	4,554	**41,237**
Transfers and subsidies									**–**
Other expenditure		3,534	7,817	3,705	1,183	14,160	5,591	4,609	**40,599**
Loss on disposal of PPE									**–**
Total Expenditure		**16,301**	**39,005**	**64,971**	**16,010**	**313,090**	**54,543**	**69,851**	**573,771**
Surplus/(Deficit)		**(16,301)**	**(38,935)**	**37,948**	**83,394**	**(84,413)**	**(53,554)**	**(39,873)**	**(111,734)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)						**125,231**			**125,231**
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)									**–**
Transfers and subsidies - capital (in-kind - all)									**–**
Surplus/(Deficit) after capital transfers & contributions		**(16,301)**	**(38,935)**	**37,948**	**83,394**	**40,817**	**(53,554)**	**(39,873)**	**13,496**

Table 23 MBRR Table SA 3 - Supporting detail to 'Budgeted Financial Position'

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS											
Call investment deposits											
Call deposits									2,484	2,653	2,831
Other current investments									900	900	900
Total Call investment deposits	2	–	–	–	–	–	–	–	**3,384**	**3,553**	**3,731**
Consumer debtors											
Consumer debtors									300,748	355,016	412,428
Less: Provision for debt impairment									(103,779)	(131,777)	(160,616)
Total Consumer debtors	2	–	–	–	–	–	–	–	**196,969**	**223,239**	**251,812**
Debt impairment provision											
Balance at the beginning of the year									77,114	103,779	131,777
Contributions to the provision									26,665	27,998	28,838
Bad debts written off											
Balance at end of year		–	–	–	–	–	–	–	**103,779**	**131,777**	**160,616**
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)									1,787,820	1,912,063	2,053,432
Leases recognised as PPE	3										
Less: Accumulated depreciation									506,167	586,192	669,418
Total Property, plant and equipment (PPE)	2	–	–	–	–	–	–	–	**1,281,653**	**1,325,872**	**1,384,014**
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities									500	500	500
Total Current liabilities - Borrowing		–	–	–	–	–	–	–	**500**	**500**	**500**
Trade and other payables											
Trade and other creditors									162,421	188,212	178,801
Unspent conditional transfers											
VAT									5,000	5,000	5,000
Total Trade and other payables	2	–	–	–	–	–	–	–	**167,421**	**193,212**	**183,801**
Non current liabilities - Borrowing											
Borrowing	4										
Finance leases (including PPP asset element)									4,000	3,500	3,000
Total Non current liabilities - Borrowing		–	–	–	–	–	–	–	**4,000**	**3,500**	**3,000**
Provisions - non-current											
Retirement benefits									57,952	62,564	66,318
List other major provision items											
Refuse landfill site rehabilitation									34,000	36,000	37,440
Other									5,381	5,758	6,103
Total Provisions - non-current		–	–	–	–	–	–	–	**97,333**	**104,322**	**109,861**
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance									1,221,740	1,226,717	1,309,995
GRAP adjustments											
Restated balance		–	–	–	–	–	–	–	1,221,740	1,226,717	1,309,995
Surplus/(Deficit)		–	–	–	–	–	–	–	7,133	47,569	64,542
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	–	–	–	–	–	–	–	**1,228,873**	**1,274,286**	**1,374,536**
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	–	–	–	–	–	–	–	**1,228,873**	**1,274,286**	**1,374,536**

Table 24 MBRR Table SA 4 - Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
To Ensure Integrated and sustainable human settlement	Prosperous community	A								294	309	324
To develop and maintain an infratructural system which provides sustainable access to basic services	Acess to basic services	B								228,677	241,570	254,025
To promote and enforce acceptable environmental practices	Acess to basic services	C								29,978	31,787	33,659
To Create a condicuve environment for businesses to invest and prosper	Sustainable communities	D								99,110	100,825	107,303
To create a condicive environment for economic growth	Sustainable communities	E										
To enhance compliane with the MFMA and improve financial vialility	Financial sustainablility	F								102,919	110,000	117,191
To increase institutional cpacity, efficiency and effectiveness	Good governance, active citizenship	G								324	344	364
To attract, develop and retain human capital	Increased Prodictivity	H								735	769	804
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	–	–	–	–	–	–	**462,037**	**485,604**	**513,670**

Table 25 MBRR Table SA 5 - Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
To Ensure Integrated and sustainable human settlement	Prosperous community	A								7,024	7,580	8,147
To develop and maintain an infratructural system which provides sustainable access to basic services	Acess to basic services	B								313,090	324,555	335,963
To promote and enforce acceptable environmental practices	Acess to basic services	C								69,851	76,430	81,910
To Create a condicuve environment for businesses to invest and prosper	Sustainable communities	D								8,987	8,454	9,081
To create a condicive environment for economic growth	Sustainable communities	E								–	–	–
To enhance compliane with the MFMA and improve financial vialility	Financial sustainablility	F								64,971	69,334	73,182
To increase institutional cpacity, efficiency and effectiveness	Good governance, active citizenship	G								91,827	96,688	101,698
To attract, develop and retain human capital	Increased Prodictivity	H								18,021	19,349	20,725
Allocations to other priorities												
Total Expenditure			1	–	–	–	–	–	–	**573,771**	**602,391**	**630,705**

Table 26 MBRR Table SA 6 - Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
To Ensure Integrated and sustainable human settlement	Prosperous community	A								2,844		
To develop and maintain an infratructural system which provides sustainable access to basic services	Acess to basic services	B								117,887	118,244	124,369
To promote and enforce acceptable environmental practices	Acess to basic services	C								4,500	6,000	17,000
To Create a condicuve environment for businesses to invest and prosper	Sustainable communities	D										
To create a condicive environment for economic growth	Sustainable communities	E										
To enhance compliane with the MFMA and improve financial vialility	Financial sustainablility	F										
To increase institutional cpacity, efficiency and effectiveness	Good governance, active citizenship	G										
To attract, develop and retain human capital	Increased Prodictivity	H										
Allocations to other priorities			3									
Total Capital Expenditure			1	–	–	–	–	–	–	125,231	124,244	141,369

Table 27 MBRR Table SA 7 Measurable performance objective

Description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

Table 28 MBRR Table SA 8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%	2.3%	2.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.8%	3.6%	3.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	–	–	–	–	–	–	–	1.2	1.2	1.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	–	–	–	–	–	–	–	1.2	1.2	1.4
Liquidity Ratio	Monetary Assets/Current Liabilities	–	–	–	–	–	–	–	0.0	0.1	0.1
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	95.8%	95.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	95.8%	95.7%	95.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	44.5%	47.8%	50.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))										
Creditors to Cash and Investments		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	32329.3%	27594.6%	12708.0%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)								22918971	23148161	23379642
	Total Cost of Losses (Rand '000)								26,128	26,389	26,653
	% Volume (units purchased and generated less units sold)/units purchased and generated								0	0	0
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	41.3%	42.7%	43.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		41.9%	42.2%	42.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		13.5%	13.9%	14.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.6%	19.3%	18.9%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	–	–	–	–	–	–	28.1	28.4	30.0
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	66.5%	70.8%	75.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	–	–	–	–	–	–	–	0.0	0.0	0.0

Table 29 MBRR Table SA 9 - Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			73	53	101	101	36	36	36	36	36	36
Females aged 5 - 14			7	5	11	11	15	5	5	5	5	5
Males aged 5 - 14			4	5	11	11	15	5	5	5	5	5
Females aged 15 - 34			4	10	18	18	18	6	6	6	6	6
Males aged 15 - 34			14	10	21	21	21	8	8	8	8	8
Unemployment			–	–	5	5	5	5	5	5	5	5
Monthly household income (no. of households)	1, 12											
No income			3,236	454	1,102	642	642	642	642	642	642	642
R1 - R1 600			–	–	28,726	28,726	28,726	28,726	28,726	28,726	28,726	28,726
R1 601 - R3 200			–	–	3,315	3,315	3,315	3,315	3,315	3,315	3,315	3,315
R3 201 - R6 400			–	–	1,818	1,818	1,818	1,818	1,818	1,818	1,818	1,818
R6 401 - R12 800			–	–	748	748	748	748	748	748	748	748
R12 801 - R25 600			–	–	249	249	249	249	249	249	249	249
R25 601 - R51 200			–	–	71	71	71	71	71	71	71	71
R52 201 - R102 400			–	–	36	36	36	36	36	36	36	36
R102 401 - R204 800			–	–	35	35	35	35	35	35	35	35
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13		18,020	9,590	32,683	32683.00	32683.00	32683.00	32683.00	32683.00	32683.00	32683.00
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			72,810	52,602	103,926	36	36	36	36	36	36	36
Number of poor people in municipal area			18,020	9,590	32,683	33	33	33	33	33	33	33
Number of households in municipal area			20,965	15,826	9,919	10	10	10	10	10	10	10
Number of poor households in municipal area			3,050	450	6,646	7	7	7	7	7	7	7
Definition of poor household (R per month)					< R2 060	< R2 061	< R2 062	< R2 063	< R2 064	< R2 065	< R2 066	< R2 067
Housing statistics	3											
Formal			10,081	9,441	8,832	8,832	8,832	8,832	8,832	8,832	8,832	8,832
Informal			7,327	4,193	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087
Total number of households			17,408	13,634	9,919	9,919	9,919	9,919	9,919	9,919	9,919	9,919
Dwellings provided by municipality	4		-	-	8	8	8	8	8	8	8	8
Dwellings provided by province/s			-	-	2,110	2,110	2,110	2,110	2,110	2,110	2,110	2,110
Dwellings provided by private sector	5		-	-	-	-	-	-	-	-	-	-
Total new housing dwellings			-	-	2,118	2,118	2,118	2,118	2,118	2,118	2,118	2,118
Economic	6											
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	–	–	–	–	–	–	21,649	21,649	21,649
		Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	4,944	5,260	5,260
	8	Using public tap (at least min.service level)	–	–	–	–	–	–	1,616	1,300	1,300
	10	Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	28,209	28,209	28,209
	9	Using public tap (< min.service level)	–	–	–	–	–	–	277	811	811
	10	Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
		No water supply	–	–	–	–	–	–	257	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	534	811	811
		Total number of households	**–**	**–**	**–**	**–**	**–**	**–**	**28,743**	**29,020**	**29,020**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	–	–	–	–	–	–	23,613	23,613	23,613
		Flush toilet (with septic tank)	–	–	–	–	–	–	525	525	525
		Chemical toilet	–	–	–	–	–	–	86	86	86
		Pit toilet (ventilated)	–	–	–	–	–	–	1,614	1,614	1,614
		Other toilet provisions (> min.service level)	–	–	–	–	–	–	1,917	1,917	1,917
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	27,755	27,755	27,755
		Bucket toilet	–	–	–	–	–	–	195	–	–
		Other toilet provisions (< min.service level)	–	–	–	–	–	–	262	–	–
		No toilet provisions	–	–	–	–	–	–	527	527	527
		Below Minimum Service Level sub-total	–	–	–	–	–	–	984	527	527
		Total number of households	**–**	**–**	**–**	**–**	**–**	**–**	**28,739**	**28,282**	**28,282**
		Energy:									
		Electricity (at least min.service level)	–	–	–	–	–	–	13,035	12,185	11,685
		Electricity - prepaid (min.service level)	–	–	–	–	–	–	15,535	16,535	18,035
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	28,570	28,720	29,720
		Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	–	–	–	–	–	–	1,300	1,300	1,300
		Below Minimum Service Level sub-total	–	–	–	–	–	–	1,300	1,300	1,300
		Total number of households	**–**	**–**	**–**	**–**	**–**	**–**	**29,870**	**30,020**	**31,020**
		Refuse:									
		Removed at least once a week	–	–	–	–	–	–	22,978	22,978	22,978
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	22,978	22,978	22,978
		Removed less frequently than once a week	–	–	–	–	–	–	103	103	103
		Using communal refuse dump	–	–	–	–	–	–	208	208	208
		Using own refuse dump	–	–	–	–	–	–	2,725	2,725	2,725
		Other rubbish disposal	–	–	–	–	–	–	2,305	2,305	2,305
		No rubbish disposal	–	–	–	–	–	–	423	423	423
		Below Minimum Service Level sub-total	–	–	–	–	–	–	5,764	5,764	5,764
		Total number of households	**–**	**–**	**–**	**–**	**–**	**–**	**28,742**	**28,742**	**28,742**

Municipal in-house services	Ref.		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		Household service targets (000)									
		Water:									
		Piped water inside dwelling							21,649	21,649	21,649
		Piped water inside yard (but not in dwelling)							4,944	5,260	5,260
	8	Using public tap (at least min.service level)							1,616	1,300	1,300
	10	Other water supply (at least min.service level)							–	–	–
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	28,209	28,209	28,209
	9	Using public tap (< min.service level)							277	811	811
	10	Other water supply (< min.service level)							–	–	–
		No water supply							257	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	534	811	811
		Total number of households	**–**	**–**	**–**	**–**	**–**	**–**	**28,743**	**29,020**	**29,020**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)							23,613	23,613	23,613
		Flush toilet (with septic tank)							525	525	525
		Chemical toilet							86	86	86
		Pit toilet (ventilated)							1,614	1,614	1,614
		Other toilet provisions (> min.service level)							1,917	1,917	1,917
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	27,755	27,755	27,755
		Bucket toilet							195	–	–
		Other toilet provisions (< min.service level)							262	–	–
		No toilet provisions							527	527	527
		Below Minimum Service Level sub-total	–	–	–	–	–	–	984	527	527
		Total number of households	**–**	**–**	**–**	**–**	**–**	**–**	**28,739**	**28,282**	**28,282**
		Energy:									
		Electricity (at least min.service level)							13,035	12,185	11,685
		Electricity - prepaid (min.service level)							15,535	16,535	18,035
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	28,570	28,720	29,720
		Electricity (< min.service level)							–	–	–
		Electricity - prepaid (< min. service level)							–	–	–
		Other energy sources							1,300	1,300	1,300
		Below Minimum Service Level sub-total	–	–	–	–	–	–	1,300	1,300	1,300
		Total number of households	**–**	**–**	**–**	**–**	**–**	**–**	**29,870**	**30,020**	**31,020**
		Refuse:									
		Removed at least once a week							22,978	22,978	22,978
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	22,978	22,978	22,978
		Removed less frequently than once a week							103	103	103
		Using communal refuse dump							208	208	208
		Using own refuse dump							2,725	2,725	2,725
		Other rubbish disposal							2,305	2,305	2,305
		No rubbish disposal							423	423	423
		Below Minimum Service Level sub-total	–	–	–	–	–	–	5,764	5,764	5,764
		Total number of households	**–**	**–**	**–**	**–**	**–**	**–**	**28,742**	**28,742**	**28,742**

Table 30 MBRR Table SA 10 - Funding measurement

Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	–	–	–	–	–	–	–	502	682	1,407
Cash + investments at the yr end less applications - R'000	18(1)b	2	–	–	–	–	–	–	–	22,900	27,536	71,526
Cash year end/monthly employee/supplier payments	18(1)b	3	–	–	–	–	–	–	–	0.0	0.0	0.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	–	–	–	–	–	–	–	13,496	7,457	24,323
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(0.0%)	(0.4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	87.9%	87.8%	87.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.6%	8.6%	8.3%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.8%	12.4%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.9%	5.1%	5.2%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.0%	0.0%	7.1%
High Level Outcome of Funding Compliance												
Total Operating Revenue			–	–	–	–	–	–	–	462,037	485,604	513,670
Total Operating Expenditure			–	–	–	–	–	–	–	573,771	602,391	630,705
Surplus/(Deficit) Budgeted Operating Statement			–	–	–	–	–	–	–	(111,734)	(116,786)	(117,035)
Surplus/(Deficit) Considering Reserves and Cash Backing			–	–	–	–	–	–	–	22,900	27,536	71,526
MTREF Funded (1) / Unfunded (0)		15	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗		15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Table 31 MBRR Table SA11 - Property rates summary

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Valuation:	1									
Date of valuation:										
Financial year valuation used								2012/2013		
Municipal by-laws s6 in place? (Y/N)	2									
Municipal/assistant valuer appointed? (Y/N)										
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3									
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3									
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)										
Implementation time of new valuation roll (mths)										
No. of properties	5							26,056	26,056	26,056
No. of sectional title values	5							–	–	–
No. of unreasonably difficult properties s7(2)								–	–	–
No. of supplementary valuations								1,801	1,801	1,801
No. of valuation roll amendments								–	–	–
No. of objections by rate payers								–	–	–
No. of appeals by rate payers								–	–	–
No. of successful objections	8							–	–	–
No. of successful objections > 10%	8							–	–	–
Supplementary valuation								–	–	–
Public service infrastructure value (Rm)	5							17	17	17
Municipality owned property value (Rm)								30	30	30
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)								0	0	0
Valuation reductions-nature reserves/park (Rm)								–	–	–
Valuation reductions-mineral rights (Rm)								–	–	–
Valuation reductions-R15,000 threshold (Rm)								16	17	18
Valuation reductions-public worship (Rm)								0	0	0
Valuation reductions-other (Rm)								–	–	–
Total valuation reductions:		–	–	–	–	–	–	**16**	**17**	**18**
Total value used for rating (Rm)	5							12,481	7,571	5,510
Total land value (Rm)	5							–	–	–
Total value of improvements (Rm)	5							–	–	–
Total market value (Rm)	5							12,536	7,626	5,565
Rating:										
Residential rate used to determine rate for other categories? (Y/N)										
Differential rates used? (Y/N)	5									
Limit on annual rate increase (s20)? (Y/N)										
Special rating area used? (Y/N)										
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)										
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R '000)	6							65,378	69,954	74,851
Rate revenue expected to collect (R'000)	6							62,109	62,959	67,366
Expected cash collection rate (%)								95.0%	90.0%	90.0%
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)								1,764	1,887	2,019
Rebates, exemptions - pensioners (R'000)								56	60	64
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)								8,683	9,291	9,942
Phase-in reductions/discounts (R'000)										
Total rebates,exemptns,reductns,discs (R'000)		–	–	–	–	–	–	**10,503**	**11,238**	**12,025**

Table 32 MBRR Table SA12 - Property Rates by Category

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2016/17																	
Valuation:																	
No. of properties		20,329	132	257	3,801	254	394	95	709	–	12	23	–	1	–	–	
No. of sectional title property values		240	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
No. of supplementary valuations		1,802	–	–	9	–	–	–	709	–	–	–	–	–	–	–	
Supplementary valuation (Rm)		200,000	–	–	6,000,000	–	–	–	10,270,000	–	–	–	–	–	–	–	
No. of valuation roll amendments		6	1	9	41	–	–	–	–	–	–	–	–	–	–	–	
No. of objections by rate-payers		45	2	12	69	–	1	–	–	–	–	–	–	–	–	–	
No. of appeals by rate-payers		2	–	1	2	–	–	–	–	–	–	–	–	–	–	–	
No. of appeals by rate-payers finalised		2	–	1	2	–	–	–	–	–	–	–	–	–	–	–	
No. of successful objections	5	43	2	11	67	–	1	–	–	–	–	–	–	–	–	–	
No. of successful objections > 10%	5	–	–	–	2	–	–	–	–	–	–	–	–	–	–	–	
Estimated no. of properties not valued		–	–	–	–	–	–		–	–	–	–	–	–	–	–	
Years since last valuation **(select)**																	
Frequency of valuation **(select)**																	
Method of valuation used **(select)**																	
Base of valuation **(select)**																	
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Flat rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)	2																
Total valuation reductions:																	
Total value used for rating (Rm)	6	159	91	206	54	44	31	3	–	–	7	8	–	–	47	–	–
Total land value (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total market value (Rm)	6	**159**	**91**	**206**	**54**	**44**	**31**	**3**	**–**	**–**	**7**	**8**	**–**	**–**	**–**	**–**	**–**
Rating:																	
Average rate	3	0.007200	0.025200	0.025200	0.001800	0.025200	–	0.001800	–	–	–	0.025200	–	–	–	–	–
Rate revenue budget (R '000)		53,649															
Rate revenue expected to collect (R'000)		42,919															
Expected cash collection rate (%)	4	80.0%															
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)		1,633															
Rebates, exemptions - pensioners (R'000)		60															
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)		7,387															
Phase-in reductions/discounts (R'000)																	
Total rebates,exemptns,reductns,discs (R'000)																	

LIM368 Modimolle-Mookgopong - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2017/18																	
Valuation:																	
No. of properties		20,329	132	257	3,801	254	394	95	709	–	12	23	–	1	–	–	
No. of sectional title property values		240	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
No. of supplementary valuations		1,802	–	–	9	–	–	–	709	–	–	–	–	–	–	–	
Supplementary valuation (Rm)		200,000	–	–	6,000,000	–	–	–	10,270,000	–	–	–	–	–	–	–	
No. of valuation roll amendments		6	1	9	41	–	–	–	–	–	–	–	–	–	–	–	
No. of objections by rate-payers		45	2	12	69	–	1	–	–	–	–	–	–	–	–	–	
No. of appeals by rate-payers		2	–	1	2	–	–	–	–	–	–	–	–	–	–	–	
No. of appeals by rate-payers finalised		2	–	1	2	–	–	–	–	–	–	–	–	–	–	–	
No. of successful objections	5	43	2	11	67	–	1	–	–	–	–	–	–	–	–	–	
No. of successful objections > 10%	5	–	–	–	2	–	–	–	–	–	–	–	–	–	–	–	
Estimated no. of properties not valued		–	–	–	–	–	–		–	–	–	–	–	–	–	–	
Years since last valuation **(select)**																	
Frequency of valuation **(select)**																	
Method of valuation used **(select)**																	
Base of valuation **(select)**																	
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Flat rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)	2																
Total valuation reductions:																	
Total value used for rating (Rm)	6	159	91	206	54	44	31	3	–	–	7	8	–	–	47	–	–
Total land value (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total market value (Rm)	**6**	**159**	**91**	**206**	**54**	**44**	**31**	**3**	**–**	**–**	**7**	**8**	**–**	**–**	**–**	**–**	**–**
Rating:																	
Average rate	3																
Rate revenue budget (R '000)		65,378															
Rate revenue expected to collect (R'000)		62,109															
Expected cash collection rate (%)	4	95.0%															
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)		1,764															
Rebates, exemptions - pensioners (R'000)		56															
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)		8,683															
Phase-in reductions/discounts (R'000)																	
Total rebates,exemptns,reductns,discs (R'000)																	

Table 33 MBRR Table SA 13 – Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Property rates (rate in the Rand)	1								
Residential properties							R 0.010820	0.0114692	0.0122
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used							R 0.001992	0.0021	0.0022
Farm properties - not used									
Industrial properties									
Business and commercial properties							R 0.020499	0.0217	0.0230
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties							R 0.020499	0.0217	0.0230
Municipal properties									
Public service infrastructure							R 0.001992	0.0021	0.0022
Privately owned towns serviced by the owner							R 0.010820	0.0115	0.0122
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshhold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)							60	63	66
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/kl)									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/kl)		0 - 10 kl					1 163	1 221	1 282
Water usage - Block 2 (c/kl)		11 - 20 kl					1 342	1 409	1 480
Water usage - Block 3 (c/kl)		21 - 30 kl					1 792	1 882	1 976
Water usage - Block 4 (c/kl)		31 - 40 kl					1 962	2 060	2 163
Other	2	41 kl and above					2 482	2 606	2 736
Waste water tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)							260	279	298
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/kl)									
Volumetric charge - Block 1 (c/kl)		(fill in structure)							
Volumetric charge - Block 2 (c/kl)		(fill in structure)							
Volumetric charge - Block 3 (c/kl)		(fill in structure)							
Volumetric charge - Block 4 (c/kl)		(fill in structure)							
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)							117	122	127
Service point - vacant land (Rands/month)									
FBE		(how is this targeted?)							
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid(c/kwh)									
Meter - IBT Block 1 (c/kwh)		0 - 50 kWh					86	89	93
Meter - IBT Block 2 (c/kwh)		51 - 350 kWh					110	114	119
Meter - IBT Block 3 (c/kwh)		351 - 600 kWh					153	160	166
Meter - IBT Block 4 (c/kwh)		601 kWh and above					184	191	199
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)		0 - 50 kWh					87	90	94
Prepaid - IBT Block 2 (c/kwh)		51 - 350 kWh					110	114	119
Prepaid - IBT Block 3 (c/kwh)		351 - 600 kWh					159	165	172
Prepaid - IBT Block 4 (c/kwh)		601 kWh and above					122	127	132
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
Other	2								
Waste management tariffs									
Domestic									
Street cleaning charge									
Basic charge/fixed fee									
80l bin - once a week							102	109	113
250l bin - once a week									

Description	Ref	Provide description of tariff structure where appropriate	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Exemptions, reductions and rebates *(Rands)*									
[Insert lines as applicable]									
Water tariffs									
[Insert blocks as applicable]		(fill in thresholds)							
Water usage - Block 5 (c/kl)		41 kl and above					2,482	2,606	2,736
		(fill in thresholds)							
Waste water tariffs									
[Insert blocks as applicable]		(fill in structure)							
Erven charge - Block 1 (c/kl)		Measuring up to 500m² in extent					4,243	4,498	4,767
Erven charge - Block 2 (c/kl)		Measuring up to 1000m² in					5,657	5,996	6,356
Erven charge - Block 3 (c/kl)		Measuring up to 2000m² in					7,116	7,543	7,996
Erven charge - Block 4 (c/kl)		Plus: For every additional					2,990	3,169	3,360
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
Electricity tariffs									
[Insert blocks as applicable]		(fill in thresholds)							
		(fill in thresholds)							

Table 34 MBRR Table SA 15 - Investment particulars by type

Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank								3,506	3,675	3,853
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	–	–	–	–	–	–	**3,506**	**3,675**	**3,853**
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		–	–	–	–	–	–	**3,506**	**3,675**	**3,853**

Table 35 MBRR Table SA16 - Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality														
FNB - 710 5722 0470		12 Months	Gaurantee	yes	Variable	0.0702				900	63			963
														–
FNB - 620 3596 2720			Call Account	yes	Variable	0.0405				500	20			520
Standard Bank - 0388 3585 1003			32 Days	yes	Variable	0.0625				200	13			213
ABSA - 925 502 6252			Call Account	yes	Variable	0.049				280	14			294
NEDBANK - 788 1103 124			60 days deposit	yes	Fixed	0.0655				1,420	96			1,516
														–
Municipality sub-total										3,300		–	–	3,506
Entities														
														–
														–
														–
														–
														–
														–
														–
Entities sub-total										–		–	–	–
TOTAL INVESTMENTS AND INTEREST	1									3,300		–	–	3,506

Table 36 MBRR Table SA 17 – Borrowing

Borrowing - Categorised by type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Parent municipality										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases								4,000	3,500	3,000
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	–	–	–	–	–	–	**4,000**	**3,500**	**3,000**
Entities										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	–	–	–	–	–	–	–	–	–
Total Borrowing	1	–	–	–	–	–	–	**4,000**	**3,500**	**3,000**

Table 37 MBRR Table SA 18 - Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		–	–	–	–	–	–	**103,955**	**107,191**	**114,041**
Local Government Equitable Share								93,384	100,825	107,303
Municipal Systems Improvement Grant										
Finance Management								4,045	4,301	4,561
Municipal Infrastructure Grant (MIG) 5%								1,960	2,065	2,177
Municipal Demarcation Transfer								4,566		
Other transfers/grants [insert description]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	**1,160**	–	–
Expanded Public Works Programme								1,160		
Total Operating Transfers and Grants	5	–	–	–	–	–	–	**105,115**	**107,191**	**114,041**
Capital Transfers and Grants										
National Government:		–	–	–	–	–	–	**125,231**	**124,244**	**141,369**
Water Services Infrastructural Grant (WSIG)								80,000	80,000	90,000
Integrated National Electrification Programme (INEG)								8,000	5,000	10,000
Municipal Infrastructure Grant (MIG)								37,231	39,244	41,369
Electricity Demand Side Management										
FMG										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
Expanded Public Works										
Total Capital Transfers and Grants	5	–	–	–	–	–	–	**125,231**	**124,244**	**141,369**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		–	–	–	–	–	–	**230,345**	**231,435**	**255,410**

Table 38 MBRR Table SA 19 - Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		–	–	–	–	–	–	**103,955**	**107,191**	**114,041**
Local Government Equitable Share								93,384	100,825	107,303
Municipal Systems Improvement Grant										
Finance Management								4,045	4,301	4,561
Municipal Infrastructure Grant (MIG) 5%								1,960	2,065	2,177
Municipal Demarcation Transfer								4,566		
Other transfers/grants [insert description]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	**1,160**	–	–
Expanded Public Works Programme								1,160		
Total operating expenditure of Transfers and Grants:		–	–	–	–	–	–	**105,115**	**107,191**	**114,041**
Capital expenditure of Transfers and Grants										
National Government:		–	–	–	–	–	–	**125,231**	**124,244**	**141,369**
Water Services Infrastructural Grant (WSIG)								80,000	80,000	90,000
Integrated National Electrification Programme (INEG)								8,000	5,000	10,000
Municipal Infrastructure Grant (MIG)								37,231	39,244	41,369
Electricity Demand Side Management										
FMG										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
Expanded Public Works										
Total capital expenditure of Transfers and Grants		–	–	–	–	–	–	**125,231**	**124,244**	**141,369**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		–	–	–	–	–	–	**230,345**	**231,435**	**255,410**

Table 39 MBRR Table SA 20 - Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts								103,955	107,191	114,041
Conditions met - transferred to revenue		–	–	–	–	–	–	**103,955**	**107,191**	**114,041**
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts								1,160		
Conditions met - transferred to revenue		–	–	–	–	–	–	**1,160**	–	–
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		–	–	–	–	–	–	**105,115**	**107,191**	**114,041**
Total operating transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts								125,231	124,244	141,369
Conditions met - transferred to revenue		–	–	–	–	–	–	**125,231**	**124,244**	**141,369**
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		–	–	–	–	–	–	**125,231**	**124,244**	**141,369**
Total capital transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		–	–	–	–	–	–	**230,345**	**231,435**	**255,410**
TOTAL TRANSFERS AND GRANTS - CTBM		–	–	–	–	–	–	–	–	–

Table 40 MBRR Table SA21 - Transfers and grants made by the municipality

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Transfers to other municipalities											
Insert description	1										
Total Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Entities/Other External Mechanisms											
Insert description	2										
Total Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Cash Transfers to other Organs of State											
Insert description	3										
Total Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Organisations											
Insert description											
Total Cash Transfers To Organisations		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Groups of Individuals											
Insert description											
Total Cash Transfers To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	–
TOTAL CASH TRANSFERS AND GRANTS	6	–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to other municipalities											
Insert description	1										
Total Non-Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to Entities/Other External Mechanisms											
Insert description	2										
Total Non-Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to other Organs of State											
Insert description	3										
Total Non-Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Non-Cash Grants to Organisations											
Insert description	4										
Total Non-Cash Grants To Organisations		–	–	–	–	–	–	–	–	–	–
Groups of Individuals											
Insert description	5										
Total Non-Cash Grants To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	–
TOTAL NON-CASH TRANSFERS AND GRANTS		–	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS	6	–	–	–	–	–	–	–	–	–	–

Table 41 MBRR Table SA 22 - Summary councilor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages								5,753	6,041	6,343
Pension and UIF Contributions								863	906	951
Medical Aid Contributions								91	95	100
Motor Vehicle Allowance								2,236	2,347	2,465
Cellphone Allowance								776	815	856
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		–	–	–	–	–	–	**9,718**	**10,204**	**10,714**
% increase	4		–	–	–	–	–	–	**5.0%**	**5.0%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages								4,221	4,532	4,865
Pension and UIF Contributions								865	928	997
Medical Aid Contributions								69	74	80
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3							1,108	1,190	1,277
Cellphone Allowance	3							109	117	125
Housing Allowances	3									
Other benefits and allowances	3							1	1	1
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		–	–	–	–	–	–	**6,372**	**6,841**	**7,345**
% increase	4		–	–	–	–	–	–	**7.4%**	**7.4%**
Other Municipal Staff										
Basic Salaries and Wages								120,315	131,330	142,736
Pension and UIF Contributions								24,826	27,310	29,675
Medical Aid Contributions								7,701	8,240	8,817
Overtime								4,596	4,866	5,142
Performance Bonus										
Motor Vehicle Allowance	3							9,301	9,948	10,640
Cellphone Allowance	3							689	737	788
Housing Allowances	3							566	606	648
Other benefits and allowances	3							7,762	8,332	8,932
Payments in lieu of leave								1,604	1,716	1,837
Long service awards								2,084	1,510	1,966
Post-retirement benefit obligations	6							4,856	5,916	5,980
Sub Total - Other Municipal Staff		–	–	–	–	–	–	**184,301**	**200,513**	**217,162**
% increase	4		–	–	–	–	–	–	**8.8%**	**8.3%**
Total Parent Municipality		–	–	–	–	–	–	**200,392**	**217,559**	**235,221**
			–	–	–	–	–	–	**8.6%**	**8.1%**
TOTAL SALARY, ALLOWANCES & BENEFITS		–	–	–	–	–	–	**200,392**	**217,559**	**235,221**
% increase	4		–	–	–	–	–	–	**8.6%**	**8.1%**
TOTAL MANAGERS AND STAFF	5,7	–	–	–	–	–	–	**190,673**	**207,355**	**224,507**

Table 42 MBRR Table SA 23 - Salaries, allowances & benefits (political office bearers/ councilors/senior managers

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	415,259	62,289	186,903			664,451
Chief Whip		1	389,306	58,396	176,954			624,656
Executive Mayor		1	503,296	93,639	226,698			823,633
Deputy Executive Mayor								–
Executive Committee		4	828,992	160,637	440,757			1,430,386
Total for all other councillors		21	3,616,039	578,694	1,980,364			6,175,097
Total Councillors	8	**28**	**5,752,892**	**953,655**	**3,011,676**			**9,718,223**
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	809,315	164,353	339,521			1,313,189
Chief Finance Officer		1	866,579	175,982	291,868			1,334,429
Manager: Techninical Services		1	639,899	162,061	165,893			967,853
Manager: Social and Community Services		1	638,170	129,598	220,683			988,450
Manager: Coperate Services		1	639,899	106,322	126,857			873,078
Manager: Planning and Economic Development		1	627,242	141,430	126,730			895,402
List of each offical with packages >= senior manager								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	**6**	**4,221,105**	**879,745**	**1,271,552**	**–**		**6,372,401**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	**34**	**9,973,997**	**1,833,400**	**4,283,228**	**–**		**16,090,624**

Table 43 MBRR Table SA 24 - Summary of personnel numbers

Summary of Personnel Numbers	Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)								28	6	18
Board Members of municipal entities	4							–	–	–
Municipal employees	5									
Municipal Manager and Senior Managers	3							23	17	6
Other Managers	7							16	16	–
Professionals		–	–	–	–	–	–	*28*	*22*	–
Finance								7	5	–
Spatial/town planning								3	3	–
Information Technology								3	2	–
Roads								1	1	–
Electricity								3	2	–
Water								1	1	–
Sanitation								1	1	–
Refuse								1	1	–
Other								8	6	–
Technicians		–	–	–	–	–	–	*259*	*232*	*3*
Finance								71	65	1
Spatial/town planning								6	6	–
Information Technology								1	1	–
Roads								23	23	–
Electricity								35	38	–
Water								46	30	–
Sanitation								30	27	–
Refuse								32	28	–
Other								15	14	2
Clerks (Clerical and administrative)								95	91	4
Service and sales workers								–	–	–
Skilled agricultural and fishery workers								1	1	–
Craft and related trades								–	–	–
Plant and Machine Operators								50	50	–
Elementary Occupations								162	162	–
TOTAL PERSONNEL NUMBERS	9	**–**	**–**	**–**	**–**	**–**	**–**	**662**	**597**	**31**
% increase					–	–	–	–	–	–
Total municipal employees headcount	6, 10							**640**	**609**	**31**
Finance personnel headcount	8, 10							**80**	**70**	**5**
Human Resources personnel headcount	8, 10							**15**	**12**	**1**

Table 44 MBRR Table SA25 - Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source																
Property rates		5 448	5 448	5 448	5 448	5 448	5 448	5 448	5 448	5 448	5 448	5 448	5 448	65 378	69 954	74 851
Service charges - electricity revenue		16 148	14 533	12 918	12 918	12 918	11 303	11 303	11 303	12 918	14 533	14 533	16 852	162 181	169 855	176 661
Service charges - water revenue		2 932	2 932	3 350	3 769	3 769	3 769	4 188	4 188	3 769	3 350	2 932	3 082	42 031	45 367	48 978
Service charges - sanitation revenue		1 867	1 867	1 867	1 867	1 867	1 867	1 867	1 867	1 867	1 867	1 867	1 867	22 410	24 182	26 105
Service charges - refuse revenue		1 398	1 398	1 398	1 398	1 398	1 398	1 398	1 398	1 398	1 398	1 398	1 398	16 778	17 835	18 961
Service charges - other													–	–	–	–
Rental of facilities and equipment		21	21	21	21	21	21	21	21	21	21	21	379	608	636	665
Interest earned - external investments		254	254	254	254	254	254	254	254	254	254	254	254	3 050	3 161	3 224
Interest earned - outstanding debtors		2 476	2 476	2 476	2 476	2 476	2 476	2 476	2 476	2 476	2 476	2 476	2 476	29 707	31 787	33 694
Dividends received													–	–	–	–
Fines, penalties and forfeits		13	13	13	13	13	13	13	13	13	13	13	13	161	161	161
Licences and permits		681	681	681	681	681	681	681	681	681	681	681	681	8 173	8 582	9 011
Agency services													–	–	–	–
Transfers and subsidies		8 760	8 760	8 760	8 760	8 760	8 760	8 760	8 760	8 760	8 760	8 760	8 760	105 115	107 191	114 041
Other revenue		537	537	537	537	537	537	537	537	537	537	537	537	6 445	6 893	7 318
Gains on disposal of PPE													–	–	–	–
Total Revenue (excluding capital transfers and cont		**40 535**	**38 920**	**37 724**	**38 143**	**38 143**	**36 528**	**36 947**	**36 947**	**38 143**	**39 339**	**38 920**	**41 747**	**462 037**	**485 604**	**513 670**
Expenditure By Type																
Employee related costs		15 270	15 233	15 233	15 282	15 300	15 295	15 233	15 233	15 282	15 282	15 233	22 795	190 673	207 355	224 507
Remuneration of councillors		810	810	810	810	810	810	810	810	810	810	810	810	9 718	10 204	10 714
Debt impairment													26 665	26 665	27 998	28 838
Depreciation & asset impairment		2 681	2 681	2 681	2 681	2 681	2 681	2 681	2 681	2 681	2 681	2 681	47 454	76 947	80 025	83 226
Finance charges		880	880	880	880	880	880	880	880	880	880	880	3 899	13 575	13 723	13 901
Bulk purchases		16 168	14 640	13 239	13 366	11 839	11 966	13 366	11 966	13 366	14 767	14 640	16 168	165 491	168 044	170 697
Other materials		738	738	738	740	738	738	745	738	738	738	738	738	8 864	9 218	9 587
Contracted services		4 506	4 506	4 506	4 506	4 506	4 506	4 506	4 506	4 509	4 506	4 506	4 506	54 080	57 275	59 636
Transfers and subsidies													–	–	–	–
Other expenditure		2 310	2 310	2 310	2 315	2 310	2 315	2 324	2 315	2 310	2 315	2 315	2 310	27 756	28 548	29 598
Loss on disposal of PPE													–	–	–	–
Total Expenditure		**43 363**	**41 798**	**40 397**	**40 580**	**39 063**	**39 191**	**40 546**	**39 129**	**40 577**	**41 979**	**41 803**	**125 344**	**573 771**	**602 391**	**630 705**
Surplus/(Deficit)		**(2 828)**	**(2 878)**	**(2 673)**	**(2 437)**	**(920)**	**(2 663)**	**(3 599)**	**(2 182)**	**(2 434)**	**(2 640)**	**(2 883)**	**(83 597)**	**(111 734)**	**(116 786)**	**(117 035)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		10 436	10 436	10 436	10 436	10 436	10 436	10 436	10 436	10 436	10 436	10 436	10 436	125 231	124 244	141 359
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)													–	–	–	–
Transfers and subsidies - capital (in-kind - all)													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**7 608**	**7 558**	**7 763**	**7 999**	**9 515**	**7 773**	**6 837**	**8 254**	**8 002**	**7 795**	**7 553**	**(73 161)**	**13 496**	**7 457**	**24 323**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**7 608**	**7 558**	**7 763**	**7 999**	**9 515**	**7 773**	**6 837**	**8 254**	**8 002**	**7 795**	**7 553**	**(73 161)**	**13 496**	**7 457**	**24 323**

Table 45 MBRR Table SA 26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote																
Vote 1 - Public Office Bearers													–	–	–	–
Vote 2 - Municipal Manager		6	6	6	6	6	6	6	6	6	6	6	6	70	80	90
Vote 3 - Budget and Treasury		8 577	8 577	8 577	8 577	8 577	8 577	8 577	8 577	8 577	8 577	8 577	8 577	102 919	110 000	117 191
Vote 4 - Planning and Economic Development		8 284	8 284	8 284	8 284	8 284	8 284	8 284	8 284	8 284	8 284	8 284	8 284	99 404	101 134	107 627
Vote 5 - Technical Services		31 625	30 010	28 814	29 233	29 233	27 618	28 037	28 037	29 233	30 429	30 010	31 625	353 908	365 814	395 384
Vote 6 - Corporate Services		82	82	82	82	82	82	82	82	82	82	82	82	989	1 033	1 078
Vote 7 - Community and Social Services		2 498	2 498	2 498	2 498	2 498	2 498	2 498	2 498	2 498	2 498	2 498	2 498	29 978	31 787	33 659
Total Revenue by Vote		**51 072**	**49 457**	**48 261**	**48 680**	**48 680**	**47 065**	**47 484**	**47 484**	**48 680**	**49 876**	**49 457**	**51 072**	**587 267**	**609 848**	**655 029**
Expenditure by Vote to be appropriated																
Vote 1 - Public Office Bearers		1 358	1 358	1 358	1 358	1 358	1 358	1 368	1 358	1 358	1 358	1 358	1 358	16 301	17 179	18 063
Vote 2 - Municipal Manager		3 245	3 245	3 245	3 246	3 245	3 307	3 250	3 245	3 245	3 245	3 245	3 245	39 005	40 812	42 781
Vote 3 - Budget and Treasury		3 186	3 186	3 186	3 191	3 253	3 186	3 186	3 186	3 186	3 186	3 186	29 851	64 971	69 334	73 182
Vote 4 - Planning and Economic Development		1 363	1 326	1 326	1 326	1 326	1 331	1 332	1 331	1 326	1 331	1 331	1 363	16 010	16 034	17 228
Vote 5 - Technical Services		25 318	23 790	22 389	22 517	20 989	21 116	22 517	21 116	22 566	23 917	23 790	63 067	313 090	324 555	335 963
Vote 6 - Corporate Services		3 744	3 744	3 744	3 744	3 744	3 744	3 744	3 744	3 744	3 794	3 744	13 306	54 543	58 045	61 578
Vote 7 - Community and Social Services		5 149	5 149	5 149	5 199	5 149	5 149	5 149	5 149	5 152	5 149	5 149	13 154	69 851	76 430	81 910
Total Expenditure by Vote		**43 363**	**41 798**	**40 397**	**40 580**	**39 063**	**39 191**	**40 546**	**39 129**	**40 577**	**41 979**	**41 803**	**125 344**	**573 771**	**602 391**	**630 705**
Surplus/(Deficit) before assoc.		**7 709**	**7 659**	**7 864**	**8 100**	**9 616**	**7 874**	**6 938**	**8 355**	**8 103**	**7 896**	**7 654**	**(74 272)**	**13 496**	**7 457**	**24 323**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**7 709**	**7 659**	**7 864**	**8 100**	**9 616**	**7 874**	**6 938**	**8 355**	**8 103**	**7 896**	**7 654**	**(74 272)**	**13 496**	**7 457**	**24 323**

Table 46 MBRR Table SA 27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional																
Governance and administration		**8 665**	**8 665**	**8 665**	**8 665**	**8 665**	**8 665**	**8 665**	**8 665**	**8 665**	**8 665**	**8 665**	**8 665**	**103 978**	**111 113**	**118 359**
Executive and council													–	–	–	–
Finance and administration		8 665	8 665	8 665	8 665	8 665	8 665	8 665	8 665	8 665	8 665	8 665	8 665	103 978	111 113	118 359
Internal audit													–	–	–	–
Community and public safety		**406**	**406**	**406**	**406**	**406**	**406**	**406**	**406**	**406**	**406**	**406**	**406**	**4 867**	**5 211**	**5 527**
Community and social services		57	57	57	57	57	57	57	57	57	57	57	57	680	714	750
Sport and recreation		0	0	0	0	0	0	0	0	0	0	0	0	3	3	3
Public safety		349	349	349	349	349	349	349	349	349	349	349	349	4 184	4 494	4 775
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		**19 577**	**19 577**	**19 577**	**19 577**	**19 577**	**19 577**	**19 577**	**19 577**	**19 577**	**19 577**	**19 577**	**19 577**	**234 927**	**236 184**	**260 334**
Planning and development		18 883	18 883	18 883	18 883	18 883	18 883	18 883	18 883	18 883	18 883	18 883	18 883	226 594	227 443	251 163
Road transport		694	694	694	694	694	694	694	694	694	694	694	694	8 333	8 742	9 171
Environmental protection													–	–	–	–
Trading services		**22 424**	**20 809**	**19 613**	**20 032**	**20 032**	**18 417**	**18 836**	**18 836**	**20 032**	**21 228**	**20 809**	**22 424**	**243 496**	**257 340**	**270 809**
Energy sources		16 214	14 600	12 985	12 985	12 985	11 370	11 370	11 370	12 985	14 600	14 600	16 214	162 277	169 955	176 765
Water management		2 944	2 944	3 363	3 782	3 782	3 782	4 201	4 201	3 782	3 363	2 944	2 944	42 031	45 367	48 978
Waste water management		1 867	1 867	1 867	1 867	1 867	1 867	1 867	1 867	1 867	1 867	1 867	1 867	22 410	24 182	26 105
Waste management		1 398	1 398	1 398	1 398	1 398	1 398	1 398	1 398	1 398	1 398	1 398	1 398	16 778	17 835	18 961
Other													**–**	**–**	**–**	**–**
Total Revenue - Functional		**51 072**	**49 457**	**48 261**	**48 680**	**48 680**	**47 065**	**47 484**	**47 484**	**48 680**	**49 876**	**49 457**	**51 072**	**587 267**	**609 848**	**655 029**
Expenditure - Functional																
Governance and administration		**11 533**	**11 533**	**11 533**	**11 539**	**11 599**	**11 595**	**11 548**	**11 533**	**11 533**	**11 582**	**11 533**	**47 760**	**174 819**	**185 371**	**195 605**
Executive and council		3 839	3 839	3 839	3 841	3 839	3 901	3 849	3 839	3 839	3 839	3 839	3 839	46 144	48 093	50 201
Finance and administration		7 450	7 450	7 450	7 455	7 517	7 450	7 455	7 450	7 450	7 500	7 450	43 677	125 758	134 138	142 040
Internal audit		243	243	243	243	243	243	243	243	243	243	243	243	2 916	3 141	3 364
Community and public safety		**2 170**	**2 170**	**2 170**	**2 219**	**2 170**	**2 170**	**2 170**	**2 170**	**2 173**	**2 170**	**2 170**	**2 170**	**26 089**	**28 357**	**30 504**
Community and social services		731	731	731	780	731	731	731	731	731	731	731	731	8 826	9 541	10 269
Sport and recreation		1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	13 031	14 259	15 388
Public safety		352	352	352	352	352	352	352	352	355	352	352	352	4 233	4 557	4 847
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		**4 606**	**4 569**	**4 569**	**4 569**	**4 569**	**4 574**	**4 575**	**4 574**	**4 619**	**4 574**	**4 574**	**24 871**	**75 247**	**79 375**	**84 609**
Planning and development		1 533	1 496	1 496	1 496	1 496	1 501	1 502	1 501	1 496	1 501	1 501	1 533	18 048	18 244	19 593
Road transport		3 074	3 074	3 074	3 074	3 074	3 074	3 074	3 074	3 123	3 074	3 074	23 338	57 198	61 131	65 016
Environmental protection													–	–	–	–
Trading services		**25 054**	**23 526**	**22 126**	**22 253**	**20 725**	**20 852**	**22 253**	**20 852**	**22 253**	**23 653**	**23 526**	**50 544**	**297 616**	**309 288**	**319 987**
Energy sources		18 943	17 416	15 888	15 888	14 360	14 360	15 888	14 360	15 888	17 416	17 416	18 978	196 800	200 413	204 041
Water management		3 123	3 123	3 251	3 378	3 378	3 505	3 378	3 505	3 378	3 251	3 123	12 302	48 694	52 050	55 471
Waste water management		1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	9 627	22 003	23 494	24 916
Waste management		1 862	1 862	1 862	1 862	1 862	1 862	1 862	1 862	1 862	1 862	1 862	9 637	30 119	33 331	35 560
Other													**–**	**–**	**–**	**–**
Total Expenditure - Functional		**43 363**	**41 798**	**40 397**	**40 580**	**39 063**	**39 191**	**40 546**	**39 129**	**40 577**	**41 979**	**41 803**	**125 344**	**573 771**	**602 391**	**630 705**
Surplus/(Deficit) before assoc.		**7 709**	**7 659**	**7 864**	**8 100**	**9 616**	**7 874**	**6 938**	**8 355**	**8 103**	**7 896**	**7 654**	**(74 272)**	**13 496**	**7 457**	**24 323**
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**7 709**	**7 659**	**7 864**	**8 100**	**9 616**	**7 874**	**6 938**	**8 355**	**8 103**	**7 896**	**7 654**	**(74 272)**	**13 496**	**7 457**	**24 323**

Table 47 MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Multi-year expenditure ***to be appropriated***	1															
Vote 1 - Public Office Bearers													–	–	–	–
Vote 2 - Municipal Manager													–	–	–	–
Vote 3 - Budget and Treasury													–	–	–	–
Vote 4 - Planning and Economic Development													–	–	–	–
Vote 5 - Technical Services		6,116	6,116	6,116	6,116	6,116	6,116	6,116	6,116	6,116	6,116	6,116	6,116	73,387	93,244	74,369
Vote 6 - Corporate Services													–	–	–	–
Vote 7 - Community and Social Services		612	612	612	612	612	612	612	612	612	612	612	612	7,344	6,000	17,000
Capital multi-year expenditure sub-total	2	**6,728**	**6,728**	**6,728**	**6,728**	**6,728**	**6,728**	**6,728**	**6,728**	**6,728**	**6,728**	**6,728**	**6,728**	**80,731**	**99,244**	**91,369**
Single-year expenditure ***to be appropriated***																
Vote 1 - Public Office Bearers													–	–	–	–
Vote 2 - Municipal Manager													–	–	–	–
Vote 3 - Budget and Treasury													–	–	–	–
Vote 4 - Planning and Economic Development													–	–	–	–
Vote 5 - Technical Services		3,708	3,708	3,708	3,708	3,708	3,708	3,708	3,708	3,708	3,708	3,708	3,708	44,500	25,000	50,000
Vote 6 - Corporate Services													–	–	–	–
Vote 7 - Community and Social Services													–	–	–	–
Capital single-year expenditure sub-total	2	**3,708**	**3,708**	**3,708**	**3,708**	**3,708**	**3,708**	**3,708**	**3,708**	**3,708**	**3,708**	**3,708**	**3,708**	**44,500**	**25,000**	**50,000**
Total Capital Expenditure	2	**10,436**	**10,436**	**10,436**	**10,436**	**10,436**	**10,436**	**10,436**	**10,436**	**10,436**	**10,436**	**10,436**	**10,436**	**125,231**	**124,244**	**141,369**

Table 48 MBRR Table SA 29 - Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional	1															
Governance and administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Executive and council													–	–	–	–
Finance and administration													–	–	–	–
Internal audit													–	–	–	–
Community and public safety		237	237	237	237	237	237	237	237	237	237	237	237	2,844	–	–
Community and social services													–	–	–	–
Sport and recreation		237	237	237	237	237	237	237	237	237	237	237	237	2,844	–	–
Public safety													–	–	–	–
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		855	855	855	855	855	855	855	855	855	855	855	855	10,262	7,925	7,925
Planning and development													–	–	–	–
Road transport		855	855	855	855	855	855	855	855	855	855	855	855	10,262	7,925	7,925
Environmental protection													–	–	–	–
Trading services		9,344	9,344	9,344	9,344	9,344	9,344	9,344	9,344	9,344	9,344	9,344	9,344	112,125	116,318	133,444
Energy sources		667	667	667	667	667	667	667	667	667	667	667	667	8,000	5,000	10,000
Water management		5,068	5,068	5,068	5,068	5,068	5,068	5,068	5,068	5,068	5,068	5,068	5,068	60,817	59,000	98,222
Waste water management		3,234	3,234	3,234	3,234	3,234	3,234	3,234	3,234	3,234	3,234	3,234	3,234	38,808	46,318	8,222
Waste management		375	375	375	375	375	375	375	375	375	375	375	375	4,500	6,000	17,000
Other													–	–	–	–
Total Capital Expenditure - Functional	2	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	125,231	124,244	141,369
Funded by:																
National Government		10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	125,231	124,244	141,369
Provincial Government													–	–	–	–
District Municipality													–	–	–	–
Other transfers and grants													–	–	–	–
Transfers recognised - capital		10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	125,231	124,244	141,369
Public contributions & donations													–	–	–	–
Borrowing													–	–	–	–
Internally generated funds													–	–	–	–
Total Capital Funding		10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	125,231	124,244	141,369

Table 49 MBRR Table SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Receipts By Source													1		
Property rates	5,176	5,176	5,176	5,176	5,176	5,176	5,176	5,176	5,176	5,176	5,176	5,176	62,109	66,457	71,109
Service charges - electricity revenue	15,639	14,075	12,511	12,511	12,511	10,947	10,947	10,947	12,511	14,075	14,075	15,639	156,389	163,772	170,333
Service charges - water revenue	2,795	2,795	3,194	3,594	3,594	3,594	3,993	3,993	3,594	3,194	2,795	2,795	39,929	43,099	46,529
Service charges - sanitation revenue	1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	21,289	22,973	24,800
Service charges - refuse revenue	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	15,939	16,943	18,013
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–			
Rental of facilities and equipment	48	48	48	48	48	48	48	48	48	48	48	48	578	611	638
Interest earned - external investments	254	254	254	254	254	254	254	254	254	254	254	254	3,050	3,161	3,224
Interest earned - outstanding debtors	743	743	743	743	743	743	743	743	743	743	743	743	8,912	9,536	10,108
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–			
Fines, penalties and forfeits	11	11	11	11	11	11	11	11	11	11	11	11	129	129	129
Licences and permits	681	681	681	681	681	681	681	681	681	681	681	681	8,173	8,582	9,011
Agency services												–	–	–	–
Transfer receipts - operational	39,739				32,688				32,688			–	105,115	107,191	114,041
Other revenue												6,445	6,445	6,893	7,318
Cash Receipts by Source	**68,188**	**26,885**	**25,720**	**26,120**	**58,807**	**24,556**	**24,955**	**24,955**	**58,807**	**27,284**	**26,885**	**34,894**	**428,057**	**449,346**	**475,254**
Other Cash Flows by Source															
Transfer receipts - capital	31,308			31,308			31,308			31,308		–	125,231	124,244	141,369
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)												–			
Proceeds on disposal of PPE												–			
Short term loans												–			
Borrowing long term/refinancing												–			
Increase (decrease) in consumer deposits												–			
Decrease (Increase) in non-current debtors												–			
Decrease (increase) other non-current receivables												–			
Decrease (increase) in non-current investments												–			
Total Cash Receipts by Source	**99,495**	**26,885**	**25,720**	**57,427**	**58,807**	**24,556**	**56,263**	**24,955**	**58,807**	**58,592**	**26,885**	**34,894**	**553,287**	**573,589**	**616,622**
Cash Payments by Type															
Employee related costs	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	177,619	193,286	209,374
Remuneration of councillors	769	769	769	769	769	769	769	769	769	769	769	769	9,232	10,000	10,607
Finance charges	167	167	167	167	167	167	167	167	167	167	167	167	2,006	2,644	3,178
Bulk purchases - Electricity	13,983	12,584	11,186	11,186	11,186	9,788	9,788	9,788	11,186	12,584	12,584	13,983	139,825	138,879	140,278
Bulk purchases - Water & Sewer	801	801	916	1,030	1,030	1,030	1,144	1,144	1,030	916	801	801	11,445	12,360	13,349
Other materials	724	724	724	724	724	724	724	724	724	724	724	724	8,687	9,034	9,395
Contracted services	4,741	4,741	4,741	4,741	4,741	4,741	4,741	4,741	4,741	4,741	4,741	312	52,458	55,557	59,636
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–			
Transfers and grants - other	–	–	–	–	–	–	–	–	–	–	–	–			
Other expenditure	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	1,535	26,646	27,406	28,710
Cash Payments by Type	**38,269**	**36,871**	**35,587**	**35,701**	**35,701**	**34,303**	**34,418**	**34,418**	**35,701**	**36,985**	**36,871**	**33,092**	**427,917**	**449,166**	**474,529**
Other Cash Flows/Payments by Type															
Capital assets	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	10,436	125,231	124,244	141,369
Repayment of borrowing			160									–	160		
Other Cash Flows/Payments												–			
Total Cash Payments by Type	**48,705**	**47,307**	**46,183**	**46,137**	**46,137**	**44,739**	**44,853**	**44,853**	**46,137**	**47,421**	**47,307**	**43,528**	**553,307**	**573,410**	**615,897**
NET INCREASE/(DECREASE) IN CASH HELD	**50,791**	**(20,422)**	**(20,462)**	**11,290**	**12,670**	**(20,183)**	**11,409**	**(19,898)**	**12,670**	**11,171**	**(20,422)**	**(8,634)**	**(20)**	**180**	**725**
Cash/cash equivalents at the month/year begin:	522	51,313	30,891	10,429	21,719	34,389	14,206	25,615	5,717	18,387	29,558	9,136	522	502	682
Cash/cash equivalents at the month/year end:	51,313	30,891	10,429	21,719	34,389	14,206	25,615	5,717	18,387	29,558	9,136	502	502	682	1,407

Table 50 MBRR Table SA32 – List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Akhile Financial Management Services	Yrs	2	Financial Services	30 June 2017	2,400
Standard Bank	Yrs	5	Banking Services	30/06/2018	Various Rates Approved
Payday System	Yrs	3	Payroll system	30/06/2016	0
ABSA vehicle solution	Yrs		Fleet management	31/12/2016	Various as per contract
Munsoft	Yrs		Financial System		Various as per contract
Cellsave	Yrs		Telephone system		

Table 51 MBRR Table SA33 – Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework			Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
Security Services			6,500	6,890	7,303	7,669								28,362
SITA			271	287	305	320								
Munsoft			1,805	1,913	2,028	2,130								
Legogo IT & Projects - Valuation Roll			431	457	484	509								
Standard Bank - Bank Charges			753	798	846	888								3,286
														–
Total Operating Expenditure Implication		–	9,760	10,346	10,966	11,515	–	–	–	–	–	–	–	42,587
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication		–	9,760	10,346	10,966	11,515	–	–	–	–	–	–	–	42,587
Entities:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Entity Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–

Table 52 MBRR Table SA 34a - Capital expenditure on new assets by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		–	–	–	–	–	–	**49,210**	**23,281**	**59,184**
Roads Infrastructure		–	–	–	–	–	–	6,902	3,963	3,963
Roads								6,902	3,963	3,963
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	4,000	5,000	10,000
Power Plants										
HV Substations								4,000	5,000	10,000
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		–	–	–	–	–	–	16,000	–	20,000
Dams and Weirs										
Boreholes								5,500		
Reservoirs								5,500		20,000
Pump Stations										
Water Treatment Works								5,000		
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	17,808	8,318	8,222
Pump Station										
Reticulation								7,808	8,318	8,222
Waste Water Treatment Works								10,000		
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	4,500	6,000	17,000
Landfill Sites								4,500	6,000	17,000
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		–	–	–	–	–	–	**2,844**	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	2,844	–	–
Indoor Facilities										
Outdoor Facilities								2,844		
Capital Spares										
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Total Capital Expenditure on new assets	1	–	–	–	–	–	–	**52,054**	**23,281**	**59,184**

Table 53 MBRR Table SA 34b - Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		–	–	–	–	–	–	5,000	–	10,000
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		–	–	–	–	–	–	–	–	10,000
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution								–	–	10,000
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	5,000	–	–
Pump Station										
Reticulation										
Waste Water Treatment Works								5,000	–	–
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Total Capital Expenditure on renewal of existing asset	1	–	–	–	–	–	–	5,000	–	10,000
Renewal of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*4.0%*	*0.0%*	*7.1%*
Renewal of Existing Assets as % of deprecn"		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*6.5%*	*0.0%*	*12.0%*

Table 54 MBRR Table SA34c - Repair and maintenance expenditure by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		–	–	–	–	–	–	**58,781**	**63,680**	**68,404**
Roads Infrastructure		–	–	–	–	–	–	13,582	14,891	16,143
Roads								13,582	14,891	16,143
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	878	991	1,083
Drainage Collection								208	216	225
Storm water Conveyance								670	774	858
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	16,837	18,084	19,311
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations								14,969	16,141	17,289
MV Switching Stations										
MV Networks								750	780	811
LV Networks								1,119	1,164	1,210
Capital Spares										
Water Supply Infrastructure		–	–	–	–	–	–	17,848	19,281	20,684
Dams and Weirs										
Boreholes								870	905	941
Reservoirs								950	988	1,028
Pump Stations										
Water Treatment Works								1,170	1,217	1,266
Bulk Mains										
Distribution								14,857	16,171	17,450
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	9,636	10,432	11,183
Pump Station								700	728	757
Reticulation								1,330	1,383	1,439
Waste Water Treatment Works								7,506	8,217	8,879
Outfall Sewers								100	104	108
Toilet Facilities										
Capital Spares										
Community Assets		–	–	–	–	–	–	**391**	**407**	**423**
Community Facilities		–	–	–	–	–	–	120	125	130
Halls										
Libraries										
Cemeteries/Crematoria										
Taxi Ranks/Bus Terminals								120	125	130
Capital Spares										
Sport and Recreation Facilities		–	–	–	–	–	–	271	282	293
Indoor Facilities										
Outdoor Facilities								271	282	293
Capital Spares										
Other assets		–	–	–	–	–	–	**732**	**761**	**792**
Operational Buildings		–	–	–	–	–	–	732	761	792
Municipal Offices								726	755	785
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards								6	6	7
Stores										
Laboratories										
Capital Spares										
Intangible Assets		–	–	–	–	–	–	407	423	440
Servitudes										
Licences and Rights		–	–	–	–	–	–	407	423	440
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications								407	423	440
Load Settlement Software Applications										
Unspecified										
Computer Equipment		–	–	–	–	–	–	515	536	557
Computer Equipment								515	536	557
Furniture and Office Equipment		–	–	–	–	–	–	421	484	503
Furniture and Office Equipment								421	484	503
Machinery and Equipment		–	–	–	–	–	–	1,189	1,229	1,270
Machinery and Equipment								1,189	1,229	1,270
Total Repairs and Maintenance Expenditure	1	–	–	–	–	–	–	**62,436**	**67,519**	**72,388**
R&M as a % of PPE		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*5.3%*	*5.5%*
R&M as % Operating Expenditure		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*11.8%*	*12.0%*

Table 55 MBRR Table SA 34d – Depreciation by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Depreciation by Asset Class/Sub-class										
Infrastructure		–	–	–	–	–	–	**44,773**	**46,564**	**48,426**
Roads Infrastructure		–	–	–	–	–	–	19,993	20,792	21,624
Roads								19,993	20,792	21,624
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	36	38	39
Drainage Collection										
Storm water Conveyance								36	38	39
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	7,063	7,346	7,640
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks								7,063	7,346	7,640
LV Networks										
Capital Spares										
Water Supply Infrastructure		–	–	–	–	–	–	9,179	9,546	9,928
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works								9,179	9,546	9,928
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	8,502	8,842	9,196
Landfill Sites								8,502	8,842	9,196
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment										
Furniture and Office Equipment		–	–	–	–	–	–	439	456	475
Furniture and Office Equipment								439	456	475
Machinery and Equipment		–	–	–	–	–	–	31,735	33,005	34,325
Machinery and Equipment								31,735	33,005	34,325
Total Depreciation	1	–	–	–	–	–	–	**76,947**	**80,025**	**83,226**

Table 56 MBRR Table SA 34e – Capital expenditure on the upgrading of existing asset by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		–	–	–	–	–	–	**68,177**	**100,963**	**72,184**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	3,360	3,963	3,963
Drainage Collection										
Storm water Conveyance								3,360	3,963	3,963
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	4,000	–	–
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations								4,000	–	–
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		–	–	–	–	–	–	44,817	59,000	68,222
Dams and Weirs								3,500	–	–
Boreholes										
Reservoirs								2,500	–	–
Pump Stations										
Water Treatment Works								6,500	–	–
Bulk Mains								11,817	17,000	8,222
Distribution								20,500	42,000	60,000
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	16,000	38,000	–
Pump Station								3,000	–	–
Reticulation										
Waste Water Treatment Works								3,000	25,000	–
Outfall Sewers								10,000	13,000	–
Toilet Facilities										
Capital Spares										
Total Capital Expenditure on upgrading of existing assets	1	**–**	**–**	**–**	**–**	**–**	**–**	**68,177**	**100,963**	**72,184**
Upgrading of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*54.4%*	*81.3%*	*51.1%*
Upgrading of Existing Assets as % of deprecn"		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*88.6%*	*126.2%*	*86.7%*

Table 57 MBRR Table SA 35 - Future financial implications of the Capital budget

Vote Description	Ref	2017/18 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Present value
Capital expenditure	1							
Vote 1 - Public Office Bearers		–	–	–				
Vote 2 - Municipal Manager		–	–	–				
Vote 3 - Budget and Treasury		–	–	–				
Vote 4 - Planning and Economic Development		–	–	–				
Vote 5 - Technical Services		117,887	118,244	124,369				
Vote 6 - Corporate Services		–	–	–				
Vote 7 - Community and Social Services		7,344	6,000	17,000				
Vote 8 - [NAME OF VOTE 8]		–	–	–				
Vote 9 - [NAME OF VOTE 9]		–	–	–				
Vote 10 - [NAME OF VOTE 10]		–	–	–				
Vote 11 - [NAME OF VOTE 11]		–	–	–				
Vote 12 - [NAME OF VOTE 12]		–	–	–				
Vote 13 - [NAME OF VOTE 13]		–	–	–				
Vote 14 - [NAME OF VOTE 14]		–	–	–				
Vote 15 - [NAME OF VOTE 15]		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		**125,231**	**124,244**	**141,369**	**–**	**–**	**–**	**–**
Future operational costs by vote	2							
Vote 1 - Public Office Bearers		16,301	17,179	18,063				
Vote 2 - Municipal Manager		39,005	40,812	42,781				
Vote 3 - Budget and Treasury		64,971	69,334	73,182				
Vote 4 - Planning and Economic Development		16,010	16,034	17,228				
Vote 5 - Technical Services		313,090	324,555	335,963				
Vote 6 - Corporate Services		54,543	58,045	61,578				
Vote 7 - Community and Social Services		69,851	76,430	81,910				
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
List entity summary if applicable								
Total future operational costs		573,771	602,391	630,705	–	–	–	–
Future revenue by source	3							
Property rates		65,378	69,954	74,851				
Service charges - electricity revenue		162,181	169,855	176,661				
Service charges - water revenue		42,031	45,367	48,978				
Service charges - sanitation revenue		22,410	24,182	26,105				
Service charges - refuse revenue		16,778	17,835	18,961				
Service charges - other								
Rental of facilities and equipment		608	636	665				
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		309,386	327,830	346,221	–	–	–	–
Net Financial Implications		**389,616**	**398,804**	**425,853**	**–**	**–**	**–**	**–**

Table 58 MBRR Table SA 36 - Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4			2	6	3	3	5		Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
Parent municipality:																
List all capital projects grouped by Municipal Vote																
Sport and Recreation		**Leseding Development of Sport Facility**		**A**	Yes	*Sport and Recreation Facilities*	*Outdoor Facilities*					2,844				New
Electrical Services		**Phagameng Ext.13 & Substation Upgrade Electrification**		**B**	Yes	*Electrical Infrastructure*	*MV Substations*					4,000	–			Renewal
		New Modimolle Substation (Planning Phase)		**B**	Yes	*Electrical Infrastructure*	*HV Substations*					4,000	5,000	10,000		New
Roads		**Leseding Paving Ext 1 and 2**		**B**	Yes	*Roads Infrastructure*	*Roads*					6,902	3,963	3,963		New
Sanitation		**Rehabilitation and Refurbishment of the Sewer Pump Station in Ext 6 Mandela**		**B**	Yes	*Sanitation Infrastructure*	*Pump Station*					3,000	–	–		Renewal
		Instalation of Standby Generators		**B**	Yes	*Sanitation Infrastructure*	*Waste Water Treatment Works*					5,000	–	–		Renewal
		Optimize the WWTW Mookgophong		**B**	Yes	*Sanitation Infrastructure*	*Waste Water Treatment Works*					5,000	–	–		Renewal
		Optimize Waste Water Treatment Works in Mookgophong		**B**	Yes	*Sanitation Infrastructure*	*Waste Water Treatment Works*					–	10,000	–		Renewal
		Refurbishment of the Modimolle WWTP		**B**	Yes	*Sanitation Infrastructure*	*Waste Water Treatment Works*					5,000	–	–		Renewal
		Sewer outfall and yard connection		**B**	Yes	*Sanitation Infrastructure*	*Reticulation*					7,808	8,318	8,222		New
		Upgrading of 2ML WWTW plant in Roedtan		**B**	Yes	*Sanitation Infrastructure*	*Waste Water Treatment Works*					3,000	–	–		Renewal
		Upgrading of the Main Outfall in Modimolle town		**B**	Yes	*Sanitation Infrastructure*	*Outfall Sewers*					10,000	13,000	–		New
		Upgrading of the Modimolle Ww TW - 10ML		**B**	Yes	*Sanitation Infrastructure*	*Waste Water Treatment Works*					–	15,000	–		Renewal
Refuse Removal		**Modimolle Establishment of Landfill Site**		**C**	Yes	*Solid Waste Infrastructure*	*Landfill Sites*					4,500	6,000	17,000		New
Water Services		**Bulk Supply Water and Storage Reservoir Upgrade**		**B**	Yes	*Water Supply Infrastructure*	*Bulk Mains*					11,817	17,000	8,222		Renewal
		Construction of a pressure Tower in Mookgophong		**B**	Yes	*Water Supply Infrastructure*	*Reservoirs*					5,500	–	–		New
		Construction of Reservoir in Nyl & Roedtan		**B**	Yes	*Water Supply Infrastructure*	*Reservoirs*					–	–	20,000		New
		Drilling of Boreholes in Mookgophong		**B**	Yes	*Water Supply Infrastructure*	*Boreholes*					2,500	–	–		New
		DrillingEquipment and Electrification of Boreholes at Mabileng		**B**	Yes	*Water Supply Infrastructure*	*Boreholes*					3,000	–	–		New
		Installation of standby generators		**B**	Yes	*Water Supply Infrastructure*	*Pump Stations*					5,000	–	–		New
		Mookgophong rehabilitation reticulation		**B**	Yes	*Water Supply Infrastructure*	*Distribution*					–	–	10,000		Renewal
		Refurbishment of the Donkerhoek Treatment Plant		**B**	Yes	*Water Supply Infrastructure*	*Water Treatment Works*					5,000	–	–		Renewal
		Rehabilitation of the Frikkie Geyer Dam (Welgevonden)		**B**	Yes	*Water Supply Infrastructure*	*Dams and Weirs*					3,500	–	–		Renewal
		Rehabilitation of the Mabatlane Pump station and Resealing of Water Towns		**B**	Yes	*Water Supply Infrastructure*	*Reservoirs*					2,500	–	–		Renewal
		Rehabilitation of Water Reticulation Network in Modimolle		**B**	Yes	*Water Supply Infrastructure*	*Distribution*					–	–	10,000		Renewal
		Replace Asbestos Pipeline in Mookgophong		**B**	Yes	*Water Supply Infrastructure*	*Distribution*					8,000	12,000	20,000		Renewal
		Replacement of asbestos pipes Modimolle		**B**	Yes	*Water Supply Infrastructure*	*Distribution*					10,000	30,000	20,000		Renewal
		Replacement/Installation of Water Meters in Modimolle Matlabane & mookgopong		**B**	Yes	*Water Supply Infrastructure*	*Distribution*					–	–	10,000		Renewal
		Upgrading Nyl pump station and reservoir		**B**	Yes	*Water Supply Infrastructure*	*Distribution*					2,500	–	–		Renewal
		Upgrading of the Laborotary at the Mookgophong Waterworks		**B**	Yes	*Water Supply Infrastructure*	*Water Treatment Works*					1,500	–	–		Renewal
Storm Water		**Upgrading Of Internal Stormwater & Paving of Streets Ext 3**		**B**	Yes	*Storm water Infrastructure*	*Storm water Conveyance*					3,360	3,963	3,963		Renewal
Parent Capital expenditure	1											**125,231**	**124,244**	**141,369**		
Total Capital expenditure										**–**	**–**	**125,231**	**124,244**	**141,369**		

LIM368 Modimolle-Mookgopong - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project R thousand	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework		
							Year	Original Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Parent municipality:												
List all capital projects grouped by Municipal Vote				*Examples*	*Examples*							
Entities:												
List all capital projects grouped by Municipal Entity												
Entity Name												
Project name												

Part 3 – SUPPORTING DOCUMENTS

1. OVERVIEW OF THE ANNUAL BUDGET PROCESS

In undertaking its annual budget process, Lim368 Local Municipality was guided by the following key legislation and documents:

- Municipal Finance Management Act;
- Municipal Systems Act;
- The National Spatial Development Framework; and
- The Limpopo Provincial Government and Development Strategy.
- National Treasury Circular 54.
- Municipal Regulation on Standard Chart of Accounts

The municipality is always conscious of the fact the IDP, Budget and other consultative processes have to be undertaken with credibility and honesty in order to ensure good governance and accountability. The municipality engaged its various stakeholders in preparing this 2017/18 MTREF budget, including the communities in all the eight (8) wards, the local Chamber of Commerce and national and provincial government departments. These stakeholders are diverse and included local SMMEs, formal businesses, street vendors, agricultural and mining communities as well as ordinary members of our communities.

Lim 368 Local Municipality engaged in the IDP and Budget processes as one process. The objective was to strengthen the synergy between the IDP and the Budget to ensure that they are consistent and linked. This new process had some hiccups but these will be addressed as more experience is gained in this initiative. From these community participation and consultation processes, the municipality identified and prioritised the needs of the communities. As is almost always the case in any budget process, some priorities were identified that could not be funded in the 2014/15 financial year. These priorities and their related programmes/ projects were then included in the medium term IDP for funding consideration once additional funding becomes available, currently or in the future years.

In all these public consultation and participation process, including internal prioritisation and negotiation processes, the Mayor played an active oversight role over the IDP and Budget as required by Section 53(1) (a) of the MFMA, which states that the Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. Under the guidance of the Mayor, engagements were also held over a number of days with the Councillors in the budget and prioritisation processes. The table below is an extract of the key deadlines relating to the Budget and IDP processes as required by Section 21(1) (b) of the Municipal Finance Management Act, 2003.

Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognised accounting practice, uniform expenditure classifications and uniform treasury norms and standards. The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), determines those measures for the local sphere of government and enables the Minister of Finance to further prescribe, by regulation such measures in terms of section 168 thereof.

In terms of section 169(1)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the Minister of Finance has signed into effect and subsequently published the Municipal Regulations on a Standard Chart of Accounts (SCOA) in terms of Notice 312 of 2014, Government Gazette No. 37577 (attached) subsequent to formal consultation.

The municipality used mSCOA version 6.1 to prepair the budget. The municipality have to use 2 Schedule A's for this years budget document. mScoa version 6.1 Schedule A is contained in the document that indicateds the 2017/18 to 2019/20 financial years. The Schedule A version 2.8 is attached as a annexture that indicates the current financial year.

Table 59 - Summary of key deadlines in the budget and IDP process

Processes and activities	Responsibility	Date
1st IDP, Budget and PMS Rep Forum	Mayor	21 September 2016
IDP/Budget and PMS Public Participation Meeting	Mayor	16 Sept – 10 Oct 2016
Approved IDP, Budget and PMS process plan	Council	23 September 2016
Strategic Planning Session	MM,Mayor	11 – 12 February 2017
2nd IDP, Budget and PMS Rep Forum	Mayor	21 January 2017
Table and approval of 2015/16 adjustment budget to Council	Mayor	27 Feb 2017
Tabling of 2016/17 budget	Mayor, Council	31 March 2017
Submission of tabled budget to National and Provincial Treasuries	MM	14 April 2017
Public hearings on budget, IDP and budget policies	Mayor	1 April – 30 April 2017
Approval of 2016/17 IDP, budget and budget policies	Council	31 May 2017
Submission of draft SDBIP and draft performance agreements of Snr Managers to Mayor	MM	13 June 2017
Approval of SDBIP and performance agreements of Snr Managers	Mayor	27 June 2017
Submission of approved budget, IDP, SDBIP and performance agreements to National and Provincial Treasuries and other interested parties	MM	14 June 2017

2. OVERVIEW OF ALIGNMENT OF BUDGET WITH INTEGRATED DEVELOPMENT PLAN

In reviewing the IDP and preparing the 2016/17 MTREF, public consultations were conducted with various stakeholders in order to identify their needs and priorities. As mentioned in the preceding section, the municipality collated the information and prioritized the needs. When determining the available funding against the needs and projects, due consideration was given to the operating expenditure implications for the capital projects over the lifespan of the projects.

3. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

The measurable performance indicators and objectives for revenue and expenditure (both capital and operating) are contained in the Service Delivery and Budget Implementation Plan (SDBIP) of the municipality and the Section 57 (Municipal Systems Act) managers. The SDBIP has been designed such

that it gives effect to the implementation of the budget, with quarterly performance targets. The SDBIP will be submitted to the Mayor immediately after the budget has been approved. The timeframes as contained in Section 53(1) (c) of the MFMA will be complied with.

The key financial indicators and ratios are contained in Supporting Table 8 on page no 68.

4. DRINKING WATER QUALITY AND WASTE WATER MANAGEMENT

4.1 Water Service Authority and Water Service Provider

Lim368 is the Water Service Authority (WSA) and the Water Service Provider .Magalies Water Board serve as a Water Service Provider (WSP), providing only a portion of the bulk requirements to Modimolle. Lim368 LM operates both the Water and Waste Water Treatment Works.

4.2 Blue and Green Drop Rating

The overall Blue drop rating for the Municipality is standing at 70.10%. Areas for concern are the low skills of our employees in the division, as they cannot be classified under the DWA regulations. The treatment woks require at least a Class III Process Controller and our employees are sitting at Class 0. Upgrade of the Raw and Final Water pipeline for Donkerpoort and drilling of more boreholes for Mabatlane and Mabaleng are also areas for concern.

The overall Green Drop PAT rating is currently sitting at 43.3%. No score or report issued for the 2014/15 audit. Areas for concern are the low skills of our employees in the division, as they cannot be classified under the DWA regulations. The treatment woks require at least a Class III Process Controller and our employees are sitting at Class 0.

4.3 Water Safety Plan and Waste Water Risk Abatement Plan (W_2RAP)

The water safety plan is being reviewed annually and items that emanate from the risk assessment are being included in the budget.
Department of Water Affairs assisted the municipality in developing the wastewater risk abatement plan.

4.4 Challenges with regards to management of drinking water and waste water Ageing infrastructure

Skills and qualifications of our process.
Water quality analysis instruments.
Limited operations and maintenance budget for both water and wastewater treatment works including the distribution networks.
Failing infrastructure

5. OVERVIEW OF BUDGET RELATED POLICIES

The municipality has come to the realisation that for the budget to be credible and balanced, it must be supported by policies that guide the revenue and expenditure estimates. Lim368 Local Municipality aims to deliver services that are affordable to its communities. To ensure this, the budget related policies have been reviewed to take the socio-economic realities of the communities into account. This reality, however, is balanced with the realisation that the municipality must be financially sustainable.

The following policies needs to be developed:

- Funding and Reserve Policy
- Long-term Financial Planning Policy
- Infrastructure Investment and Capital Projects Policy

6. OVERVIEW OF BUDGET ASSUMPTIONS

In MFMA Circular 54,66,67 & 70 the National Treasury has cautioned municipalities to prepare budgets within the context of the economic crises that are felt everywhere in the globe. Some of the economic crises that will impact on the budget are slow growth in the local economy of the municipality, shrinking employment and declining income levels. These factors, in turn, will impact on the demand for and affordability of municipal services. The budget has to be responsive to the needs of the community but also structured in such a manner that it facilitates local economic development and job creation. Three factors are very important in this regard, namely;

- The municipality must collect all revenue due from those households and members of the community who can afford to pay for the municipal services they receive but refuse, or ignore, to do so;
- The municipality must exercise financial discipline avoid unnecessary, nice-to-have and non-priority expenditure. The following examples was given:
    - expenditure on membership and other related costs associated with The South African Municipal Sports and Recreation Association (SAMSRA)
    - excessive sponsorship of music festivals, beauty pageants and sporting events, including the purchase of tickets to events for councillors and/or officials;
    - public relations projects and activities that are not centred on actual service delivery or are not a municipal function (e.g. celebrations; gala dinners; commemorations, advertising and voter education);
    - LED projects that serve the narrow interests of only a small number of beneficiaries or fall within the mandates of other government departments such as the Department of Agriculture;
    - excessive catering for meetings and other events, including the use of public funds to buy alcoholic beverages;
    - arranging workshops and events at expensive private venues, especially ones outside the municipality (as opposed to using the municipality's own venues);
    - excessive printing costs (instead of maximising the use of the municipality's website, including providing facilities for the public to access the website);
    - excessive luxurious office accommodation and office furnishings;
    - foreign travel by mayors, councillors and officials, particularly 'study tours'
    - excessive councillor and staff perks such as luxurious mayoral cars and houses, notebooks, IPADS and cell-phone allowances; travel and subsistence allowances. Municipalities are reminded that in terms of section 7 (1) of the Remuneration of Public Office-bearers Act, 1998 (Act No.20 of 1998) the Minister for Cooperative Governance and Traditional Affairs must determine the limit of salaries and allowances of the different members of municipal councils and any budget provision may not be outside this framework;
    - excessive staff in the office of the mayor – particularly the appointment of political 'advisors' and 'spokespersons';
    - all donations to individuals that are not made in terms of the municipality's indigent policy or a bursary scheme; for instance donations to cover funeral costs (other than pauper burials which is a district municipality function);
    - costs associated with long-standing staff suspensions and the legal costs associated with not following due process when suspending or dismissing staff, as well as payment of severance packages or 'golden handshakes'; and
    - the use of consultants to perform routine management tasks, and the payment of excessive fees to consultants;
    - excessive overtime.

- The municipality must effectively utilise its assets, making the assets to sweat as reflected by the ratio of operating income to assets, particularly the income generating assets. This has been balanced with increased budget on repairs and maintenance to ensure that the infrastructure assets are maintained at higher levels.

This budget has been prepared based on the following assumptions:

Table 60 - Budget assumptions

Financial year	2016/17 Estimate	2017/18	2018/19	2019/20
Headline CPI inflation	6.4%	6.6%	6.2%	5.9%
Revenue collection rate		95%	95%	95%
Salaries (LGBA)	6%	7.36%	7.36%	7.36%

In its MFMA Circular 79, National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as practically possible. Given that NERSA haven't release its guideline on municipal electricity price increases for 2017/18 and that Magalies Water indicated an increase to its bulk water tariffs by 10**%**, it is inconceivable for Lim368 Local Municipality, and other municipalities, to increase their tariffs within the National Treasury guidelines of 6.4% However, this budget has made provision to assist and support indigent households to cushion against the impact of the high increases in the tariffs.

7. OVERVIEW OF BUDGET FUNDING

Section 18(1) of the MFMA requires the budget of a municipality to be funded from-

(i) Realistically anticipated revenues to be collected;
(ii) Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
(iii) Borrowed funds, but only for the capital budget referred to in Section (17) (2) of the MFMA.

This budget has been prepared taking into cognizance the requirements of the abovementioned section. Revenue was estimated using a collection rate of 95% to billings. This has resulted in moderate increase in the operating budget. The capital budget is funded out of grants received form National Treasur. An adjusted budget will be compiled for Council consideration once more funding becomes available from either internal and/ or external sources. The 2017 Division of Revenue Bill allocations to Lim368 Local Municipality are as follows for 2017/18 – 2019/20.

Table 61 - Grant allocations over the MTREF

Grant type (R'000)	2017/18	2018/19	2019/20
Equitable share	R93 384 000	R100 825 000	R107 303 000
Finance Management Grant	R 4 045 000	R 4 301 000	R 4 561 000
Municipal Infrastructure Grant	R39 190 000	R 41 309 000	R43 546 000
Extended Public Works Programme	R 1 160 000		
Integrated National	R 8 000 000	R 5 000 000	R10 000 000

electrification Program			
Municipal Demarcation Transition Grant	R 4 566 000		
Water Services Infrastructure Grant	R80 000 000	R 80 000 000	R90 000 000

These grants are explained below:

- Equitable Share - The equitable share is an unconditional grant and is used for institutional capacity and to support the indigents;
- Local Government Financial Management Grant - This grant is a conditional grant and can only be used for capacity building and Internship Programme;
- Special Contribution towards Councilor Grant - This grant forms part of the equitable share allocations;
- Municipal Infrastructure Grant (MIG) - This is a conditional grant for municipal infrastructure; and
- Water Services Infrastructure Grant - To facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritised district municipalities, especially in rural municipalities; provide interim, intermediate water and sanitation services that ensure provision of services to identified and prioritised communities, including through spring protection, drilling, testing and equipping of boreholes and on-site solutions; to support drought relief projects in affected municipalities.

8. EXPENDITURE ON ALLOCATIONS FOR PROVISIONS

Provision was made in the 2017/18 budget for the following statutory and reserve fund contributions:

- Leave Reserve : R 1 604 100
- Debt Impairment : R 26 665 200
- Post-retirement benefit oblication R 4 856 000

Contributions in total amount to R 33 125 300 and this represents 6% of total operating expenditure. The working capital reserve makes provision for nonpayment of services.

9. ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

The municipality does not make any grants or allocations to organs of state.

10. COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

The municipality made provision for an increase of 5% to councillors and 7.36% to employee's allowances and benefits.

The total employee related costs increased with 21% from the adjustment budget 2016/17. Kindly take note that the adjustment budget is only for 11 months and therefore are indicating a higher than normal increase. Senior Managers employee cost decreased with 13% from 2016/17 financial year to 2017/18. This is mainly due to the decrease in the number of senior managers after the almalgamation.

See supporting table SA23 for the detail.

11. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Monthly targets for revenue, expenditure and cash flow are attached as per supporting table 25 (SA25) to supporting table 30 (SA30). The operating revenue and expenditure monthly projections are indicated in supporting table 25 indicating cash flow by source and type, supporting table 26 indicates municipal vote and supporting table 27 by standard classification. Supporting Table 25 to 27 balances to the operating budget as per Table A4. The cash flow projection as per supporting table 33 indicates the projected cash flow per month based on the following cash flow assumptions and balances to Table A7:

Description	Budget 2017/18	Budget 2018/19	Budget 2019/20
Revenue:			
Collection Rate	95%	95%	95%
Interest on Outstanding Debtors	30%	30%	30%
All Other Revenue	100%	100%	100%
Expenditure:			
Suppliers and Employees	97%	97%	97%
Finance Charges	19%	30%	30%
Bulk Purchases - Electricity	91%	90%	90%
Bulk Purchases - Water	90%	90%	90%
Capital:			
Capital Assets	100%	100%	100%
Repayment of Borrowings	As per payment schedule		

12. ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS

Supporting table 7 on page 67 indicates measurable budget performance objectives per municipal vote.

The service delivery and budget implementation plans will be tabled to the Mayor within 14 days of the tabling of the budget.

13. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

In terms of the Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). See supporting table SA33 for the municipality contracts having future budgetary implications for the next 3 years.

The municipality did a cost analysis to determine the need for external security services. The cost analysis indicated that it will be more cost effective to have an external service provider rendering the services instead of the municipality.

14. CAPITAL EXPENDITURE DETAILS FOR 2017/18

The supporting table SA36 shows the details of capital budget for the 2017/18 financial year.
As the table shows, the funding of the capital budget is grant funded.

CAPITAL PROJECTS FUNDED FROM MUNICIPAL INFRASTRUCTURE GRANT

MIG Reference Number	Project Description	Planned MIG Expenditure for 2016/2017	Planned Adjustment MIG Expenditure for 2016/17	Planned MIG Expenditure for 2017/2018	Planned MIG Expenditure for 2018/2019	Planned MIG Expenditure for 2019/2020
2016/2017 Allocation						
	PMU	1,812,750.00	1,812,750.00	1,959,500.00	2,065,450.00	2,177,300.00
MIG/LP/1892/R,ST/15/16	Leseding Paving of Ext. 1 and Ext.2 Streets	2,000,000.00	4,784,125.00	6,902,000.00	3,962,600.00	3,962,600.00
MIG/LP/1893/R,ST/14/17	Phagameng Streets and Stormwater Ward 6	2,000,000.00	3,174,000.00			
MIG/LP/0351/ST/06/06	Upgrading of internal Stormwater and paving of Streets Ext 3		4,284,125.00	3,360,450.00	3,962,600.00	3,962,600.00
MIG/LP/1475/R,ST/12/14	Upgrading of internal stromwater Mookgophong Ext 1 & 2		600,000.00			
MIG/LP/1891/W/15/17	Bulk Supply Water and Storage Reservoir Upgrade		9,000,000.00	11,816,550.00	17,000,000.00	8,221,750.00
MIG/LP/1475/R,ST/12/14	Mookgophong Paving and Stormwater Control in Ext. 3	2,500,000.00				
MIG/LP/2038/CF/15/15	Leseding Development of Sports Facility	2,000,000.00	3,000,000.00	2,843,500.00		
MIG/LP/2036/SW/16/17	Modimolle Establishment of a Landfill Site	1,600,000.00	1,600,000.00	4,500,000.00	6,000,000.00	17,000,000.00
MIG/LP/1891/W/15/17	Modimolle Donkerpoort Raw Water Pipe Line Upgrade	10,000,000.00				
MIG/LP/0740/S/14/17	Sewer Outfall and Yard connection and water borne (Phomolong)	6,000,000.00	4,500,000.00	7,808,000.00	8,318,350.00	8,221,750.00
N/A	Sewer Spilladge in Ext.3 Mookgophong	3,342,250.00	2,500,000.00			
MIG/LP1103/W/08/12	Upgrading of Welgevonden Purification Phase 2	5,000,000.00	1,000,000.00			
Sub Total		**36,255,000.00**	**36,255,000.00**	**39,190,000.00**	**41,309,000.00**	**43,546,000.00**
Roll Over Projects						
	Phagameng street and stormater ward 6		6,614,233.00			
	Paving of Streets Leseding Ext 1 and Ext 2 Ward 3		5,966,032.00			
	Phagameng streets and Stormwater Ward 7		2,141,500.00			
	Limpopo Low Level Bridge		914,900.00			
	Rehabilitation of Lillian Ngoyi Road and Culvert Bridge Ward 8		2,897,700.00			
	Extention of Modimolle Waste Water Treatment Works		227,578.00			
Sub Total		**-**	**18,761,943.00**	**-**	**-**	**-**
	Total	**36,255,000.00**	**55,016,943.00**	**39,190,000.00**	**41,309,000.00**	**43,546,000.00**

CAPITAL PROJECTS FUNDED FROM INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME

INEP Reference Number	Project Description	Planned INEP Expenditure for 2016/2017	Planned Adjustment INEP Expenditure for 2016/17	Planned INEP Expenditure for 2017/2018	Planned INEP Expenditure for 2018/2019	Planned INEP Expenditure for 2019/2020
	Phagameng Ext.13 & Substation Upgrade Electrification	4,000,000	4,000,000	4,000,000	-	
	New Modimolle Substation (Planning Phase)	4,000,000	4,000,000	4,000,000	5,000,000	10,000,000
	Phagameng Street Lights (Ward 9) (Phase 2)	-				
	Total	**8,000,000.00**	**8,000,000.00**	**8,000,000.00**	**5,000,000.00**	**10,000,000.00**

CAPITAL PROJECTS FUNDED FROM MUNICIPAL WATER INFRASTRUCTURE GRANT

MWIG Reference Number	Project Description	Planned MWIG Expenditure for 2016/2017	Planned Adjustment MWIG Expenditure for 2016/17	Planned MWIG Expenditure for 2017/2018	Planned MWIG Expenditure for 2018/2019	Planned MWIG Expenditure for 2019/2020
	Drilling and Equiping of 6 Boreholes at Mabatlane	1,000,000	1,000,000			
	Replacement /Instillation of water meters in Modimolle,Mabatlane and Mookgophong					10,000,000
	Replacement of Asbestos pipes at Modimole town	1,000,000	1,390,000	10,000,000	30,000,000	20,000,000
	Modimolle Pressure Tower Driehek Boreholes	8,000,000	8,350,500			
	Upgrading of the Modimolle WwTW - 10ML				15,000,000	
	Upgrading of the Mookgophong WwTW - 6ML				10,000,000	
	Rehabilitation of Water Reticulation Nerwork in Modimolle					10,000,000
	Steel Resevoir at Mabatlane 3.3mgl	5,000,000	4,750,000			
	Steel Resevoir Mabaleng 3.3 mgl and Drilling of Two BoreholeS & Equiping	5,000,000	5,200,000			
	Construction of Reservoirs in Nyl and Roedtan					20,000,000
	Rehabilitation of Water Reticulation Nerwork in Mookgophong					10,000,000
	Drilling of 4 Boreholes with Pressure Tower and 4 Boreholes as Donkerpoort dam	3,000,000	2,905,000			
	Mookgophong Rehabilitation of Reticulation Network	3,500,000	3,502,000			
	Upgrading of the Nyl Pump Station and Reservoir	3,000,000	2,960,500	2,500,000		
	Optimize the WWTW in Mookgophong	1,500,000	1,561,500	5,000,000		
	Replace asbestos pipeline in Mookgophong	10,000,000	9,520,500	8,000,000	12,000,000	20,000,000
	Rehabilitation of Chlorination System in Mookgophong	600,000	590,000			
	Rehabilitation of 4 boreholes (Thusang & Nyl)	800,000	760,000			
	Drilling and Equipping of 6 Boreholes	2,600,000	2,510,000	-	-	
	Rehabilitation and Refurbishment of the Sewer Pump Station in Ext 6 Mandela			3,000,000		
	Upgrading of the main outfall in Modimolle Town			10,000,000	13,000,000	
	Drilling, Equipping and Electrification of Boreholes at Mabaleng			3,000,000		
	Rehabilitation of the Mabatlane Pump Station and Resealing of Water Towers			2,500,000		
	Rehabilitation of the Frikkie Geyser Dam (Welgevonden)			3,500,000		
	Upgrading of 2 ML WWTW plant in Roedtan			3,000,000		
	Drilling of boreholes in Mookgopong			2,500,000		
	Instillation of stand-by Generators			10,000,000		
	Upgrading of the laboratory at the Mookgophong Waterworks			1,500,000		
	Refurbishment of the Donkerpoort Treatment Plant			5,000,000		
	Refurbishment of the Modimolle WWTP			5,000,000		
	Construction of a Pressure Tower in Mookgophong			5,500,000		
	Total	**45,000,000.00**	**45,000,000.00**	**80,000,000.00**	**80,000,000.00**	**90,000,000.00**

15. LEGISLATION COMPLIANCE DETAILS

This budget has been prepared in accordance with the requirements of the Municipal Finance Management Act, the Municipal Budget and Reporting Regulations and the Municipal Systems Act.

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
   Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

2. Internship programme
   The municipality is participating in the Municipal Financial Management Internship programme and has employed eight interns undergoing training in various divisions of the Financial Services Department and Internal Audit Department.

3. Budget and Treasury Office
   The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee
   An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan
   The detail SDBIP document is at a draft stage and will be finalised after approval of the 2017/18 MTREF in May 2017 directly aligned and informed by the 2017/18 MTREF.

6. Annual Report
   Annual report is compiled in terms of the MFMA and National Treasury requirements.

16. QUALITY CERTIFICATION

I, OP Sebola, Municipal Manager of Lim368 Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and Regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Name:_____

Signature:_____

Date:_____

Part 4 – ANNEXURES

Annexure A: Tariffs

Annexure B: Integrated Development Plan

The Integrated Development Plan will be the presented in council.

Annexure C: Budget Related Policies